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**SUPREME COMMANDER
FOR THE ALLIED POWERS**



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SUMMATION

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Non-Military Activities

in

JAPAN and KOREA

No 4

January

1946

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GENERAL HEADQUARTERS
SUPREME COMMANDER
FOR THE ALLIED POWERS

SUMMATION №4

Non-Military Activities IN JAPAN AND KOREA

FOR THE MONTH OF
JANUARY 1946

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Summation No. 4

January 1946

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN and KOREA

Number 4.

January 1946

PART I
GENERAL

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ANNEXE I

SECTION 1

ORGANIZATION UNDER SCAP

1. By Special Proclamation of 19 January 1946 the International Military Tribunal for the Far East was established. General Orders No. 1 of the same date promulgated the Charter of the Tribunal.

2. General Orders No. 4, 24 January 1946, established the General Accounting Section as a special staff section to advise on financial accounting matters and to maintain accounting records of the occupation of Japan and Korea.

3. On 31 December 1945 territory under the control of SIXTH Army passed to the control of EIGHTH Army. SIXTH Army was deactivated on 26 January 1946.

KOREA

4. General Orders No. 1 USAFIK 4 January 1946 established the United States Army Military Government in Korea (USAMGIK).

5. Effective 14 January 1946 Military Government units passed from the control of tactical commanders to the control of USAMGIK.

SECTION 2

POLITICAL ACTIVITIES IN JAPAN

C O N T E N T S

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G E N E R A L

1. Two directives of 4 January abolished nationalistic political parties, associations, societies and other organizations and ordered the removal of undesirable personnel from public office.

2. A directive of 12 January authorized the general election after 15 March.

3. Political activity was widespread. It was closely associated with the problems of food, prices and daily living. Interest in politics was keener in the metropolitan areas than in the provinces.

INDIVIDUAL FREEDOM

4. A directive of 21 January ordered the abolition of licensed prostitution. This was considered a significant step in the development of individual freedom.

THE IMPERIAL RESCRIPT

5. The Imperial Rescript, which followed the historical Charter-Oath of the Emperor Meiji, was issued on 1 January. Its most important features were the denial of the Emperor's divinity and the rejection of Japanese racial superiority.

THE CABINET

6. The two directives of 4 January caused a reorganization of the Shidehara Cabinet. The policy of the reshuffled Cabinet was announced on 14 January. Shidehara's new "stop-gap" organization was severely criticized by the press and political leaders.

PERSONNEL CHANGES

7. Personnel changes took place in the Privy Council, the principal Ministries and other governmental agencies. On 25 January Chuzo Mitsuichi, the newly appointed Minister of Home Affairs, announced a liberal policy for his Ministry. There were 30 new appointments among the prefectural governors.

GOVERNMENTAL STRUCTURAL CHANGES

8. The Economic Ministerial Council and the Administrative Readjustment Council were reactivated on 18 January. The Bureau of Japanese History Compilation was abolished.

POLITICAL PARTIES

The Progressive Party (Shimpo To)

9. The two directives of 4 January affected the Progressives more than any other political party. They are determined to reorganize and to take a strong stand in the general election.

The Social Democratic Party (Shakai To)

10. The purge directives had little effect on the Social Democrats. This group has high hopes of becoming the majority party in the forthcoming election.

The Communist Party (Kyosan To)

11. The return of Nozaka, the exile from Yenai Province in China, added new prestige to the Communist Party. The continued efforts of the Communists to establish a democratic front have not been successful.

The Liberal Party (Jiyu To)

12. The Liberal Party sustained only moderate losses by the directives of 4 January. This group advocates the resignation of the Shidehara Cabinet.

Rightist Fronts

13. Two new rightist groups have been established. One is centered in Tokyo, the other is located in Osaka. An "Anti-Communist League" is in process of organizing.

Buddhists in Politics

14. The Buddhists have organized a united Buddhist front. They have selected 28 priests as candidates in the forthcoming election.

Small Parties

15. Small parties have continued to spring up all over Japan. The Home Ministry listed 93 at the end of January.

EXTERNAL AFFAIRS

16. The process of bringing Japanese foreign relations under the control of the Supreme Commander was completed in January 1946. A directive of 29 January limited the governmental and administrative areas of Japan to the four main islands and certain adjacent minor islands.

PUBLIC SAFETY

Law and Order

17. There were few cases of friction between the Occupation Forces and the Japanese. Two Japanese were killed and one Korean wounded by United States Army guards. They were caught in the act of looting Army warehouses. Korean nationals caused minor disturbances.

18. American military commissions sentenced one American soldier and several Japanese for crimes committed.

19. Black-market operations were widespread. Several American soldiers were sentenced to imprisonment on black-market charges. Efforts are being made to halt traffic in poisonous Japanese whiskey. Raids on bootlegging rings in Tokyo were successful.

Police

20. SCAP has requested the service of several prominent public safety experts in the United States. The reorganization of the Japanese police force continues. The Keibei-tai, an auxiliary police organization, was abolished and other groups used to augment the regular police force were disbanded. The Ministry of Home Affairs is attempting to improve the relations between the police and the public.

Fire

21. Several fires at military installations have caused the Occupation Forces to give special attention to fire prevention. Supplementary fire-fighting equipment is being procured.

INTELLIGENCE

Civil Intelligence

22. Investigations of minor violations of directives are being made. A small quantity of contraband material, including Japanese Army equipment and firearms, has been seized.

Foreign Nationals

23. Foreign nationals, especially Axis diplomatic and other personnel, continue to be investigated. Minor supplies have been found in the possession of German nationals.

Censorship

24. There were few violations of censorship regulations by the Japanese.

LEGAL

25. Legal advice and opinions were given on such questions as the administration of oaths by war crimes investigating officers or prosecution personnel, jurisdiction by a military commission over a war criminal suspect who claimed to be a citizen of the United States and the relation of the Commanding General to the functioning of the Japanese judicial system.

WAR CRIMES

Apprehension

26. During January SOAP issued seven directives ordering the Japanese Government to arrest and to deliver 171 persons to Sugamo Prison. Included were both civilian and Army and Navy personnel.

Two of the top ranking persons apprehended during January were Koki Hirota, former Premier and Yosuke Matsuoka, Minister of Foreign Affairs in 1940.

Prosecution

27. Three war atrocity cases were completed in Yokohama. Kei Yuri was sentenced on 7 January to be hanged. This was the first case in which a war criminal was charged with failure to perform his duties as a camp commander. Chotaro Furushima was sentenced on 11 January to life imprisonment at hard labor. The case of Kaichi Hirate was completed on 25 January. He was found guilty and given the death sentence.

28. The charter for the International Military Tribunal for the Far East was issued on 19 January. The Tribunal has the power to try and punish war criminals who may be charged with crimes against peace, conventional war crimes and crimes against humanity.

SECTION 3

ECONOMIC ACTIVITIES IN JAPAN

C O N T E N T S

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Natural Resources.	1
Commerce and Industry.	5
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NATURAL RESOURCES

1. The commercial supply of vegetable seed is low but sufficient amounts are available to meet spring planting requirements in all but a few items.

Government purchases of staple foods were below the normal seasonal averages.

2. The production of fish continued to increase as supplies of fuel oil were made available to the fishermen. The prices of fishery products remained excessive but showed a downward trend as conditions in the industry improved.

3. Shortages of food, clothing and transportation retarded production and distribution of urgently needed forest products.

4. Coal production continued to increase, 1,187,300 metric tons being mined in January which was 41 percent more than in December.

The metal mining industries operated largely on a maintenance basis and only a small amount of ore was produced.

COMMERCE AND INDUSTRY

Industry

5. One important development in the field of industry was the taking into Allied custody of 394 industrial plants, the first step toward implementing the reparations program.

6. Nearly every industry showed a decrease in production during January. One reason was the week-long New Year holiday observed by most manufacturing plants. Many fields of industrial activity were retarded by the persistent shortages of fuel, raw materials, labor and transportation. Others lacked the working capital necessary to purchase raw materials at the prevailing high prices.

Transportation and Public Utilities

7. The rail transportation system is in need of rehabilitation because of lack of maintenance and war damage. The Ministry of Transportation plans long range and extensive renovation of the system. Curtailment of operations caused by coal shortage was partially relaxed upon the receipt of more coal.

8. Available shipping has been reduced to about a quarter of its prewar capacity. Many of the remaining vessels are being re-

paired and others are being used for repatriation and mine sweeping.

9. Electric power was adequate since it is mostly hydro-generated. Gas was available only a few hours daily.

Communications

10. Telephone service between Tokyo and the United States was re-established and radio telegraph service restored between Osaka and London.

Reorganization of the Broadcasting Corporation of Japan was furthered with the appointment of the Advisory Committee for Broadcasting.

Imports and Exports

11. Japanese foreign trade is on a government to government basis under control of SCAP. Shipments of U.S. Army food, medical supplies and diesel oil have been received. Coal, pitch, mine timbers and communication equipment were exported to Korea, China and Hongkong.

Labor

12. Preliminary Japanese statistics indicate that the earnings of many workers are far below the cost of living which necessitates supplementing their income by selling belongings or by directly engaging in black market activities.

13. Many unions are federating without regard to political origin or affiliation. On 28 January a meeting of union leaders from all parts of Japan was held in Tokyo and the formation of a National Federation of Labor was proposed.

14. It was estimated that labor unions in Japan were being formed at the rate of two a day. Unionization of national and municipal government employees and public utility workers increased.

Rationing and Price Control

15. Food supplies received in urban areas increased but shortages existed in various localities because of maldistribution. Hoarding, speculation and black market activities hindered distribution through legal channels.

Prices of commodities continued to rise. The Japanese Government decided to re-establish ceiling prices on perishable foods in order to tighten controls.

FINANCE

Money and Banking

16. The note issue of the Bank of Japan continued to increase, reaching a new high of ¥ 56,064,000,000 on 20 January 1946. Bank of Japan notes have increased in importance as legal tender.

17. Aggregate deposits in banks declined moderately while the expansion of loans continued. The "Big Five" banks agreed to grant loans only to companies engaged in production of marketable goods or services.

18. Restrictions imposed on financial transactions involving property in Japan controlled by persons abroad, blocked accounts and

communications of a financial character with persons abroad were slightly relaxed.

Public Finance

19. The Japanese Government was ordered to reduce operating expenses to a minimum and to finance deficits primarily by borrowing from the savings of the people. Blanket authority to borrow for self-sustaining government enterprises and to refinance short-term debts was granted.

20. The General Account original budget for the fiscal year 1946-47 was submitted and discussed.

21. Three new tax laws covering capital levy, war profits and property were presented for approval.

SECTION 4

SOCIAL ACTIVITIES IN JAPAN

C O N T E N T S

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Public Health and Welfare.	1
Education.	11
Religion	13
Arts and Monuments	14
Media of Expression.	15

PUBLIC HEALTH AND WELFARE

Disease Incidence

1. The occurrence of reportable communicable diseases in 1945 varied slightly from the preceding year. Data received from the Japanese Government indicate that rates were higher for diphtheria, dysentery and smallpox while rates reported for paratyphoid, typhoid, typhus, scarlet fever and encephalitis were lower than in 1944.

2. The outbreak of epidemic typhus fever in Hokkaido which started in the latter part of 1945 has been held in check during January. Typhus which occurred in Honshu during the month had Yamagata Prefecture as its focus although sporadic cases were reported from other prefectures. There is evidence that many of these cases occurred in repatriates from the Asiatic mainland.

3. Smallpox has become widely disseminated throughout the country. The epidemiological aspects of the control program are satisfactory in the focal areas. Rigorous control measures are in effect.

Nutrition

4. The nutrition survey of Tokyo revealed that the people in this area were getting sufficient quantity of food. Approximately half their supply was obtained through black market or other irregular channels.

5. The Japanese Government was directed to limit population movements from rural to urban areas.

Social Insurance

6. At the end of 1945 approximately 41,410,000 persons were insured under the various social insurance agencies.

Medical Supply

7. As a result of directives by SCAP medical supply distribution has been greatly improved. Production of medical supplies in general has remained constant. The production of biologicals has increased. On the basis of present data production of smallpox vaccine will be sufficient to meet the requirements of the country.

Prostitution

8. The Japanese Government was directed to abrogate and annul all laws which authorize or permit licensed prostitution in Japan. All contracts and agreements which have for their object the binding or committing of any woman to the practice of prostitution will be nullified.

Relief

9. The Ministry of Welfare estimated that 8,000,000 persons were in need of relief on 1 January 1946.

Repatriation

10. By 27 January approximately 1,246,000 Japanese ex-service-men and civilians had been returned to Japan while 687,000 Koreans, 7,500 Formosans, 30,700 Chinese and 5,200 Ryukyans had been repatriated to their homelands.

EDUCATION

11. One hundred forty-three national and vocational textbooks have been approved by this Headquarters as free from militaristic and ultra-nationalistic propaganda. Textbooks for use as interim substitutes for banned books have been approved and released for publication by the Ministry of Education. New teacher's manuals are in preparation by the Ministry.

12. Professional educators were appointed as Minister and Vice-Minister of Education for the first time in Japanese history. The Ministry of Education appointed a committee of Japanese educators to work with the educational mission requested from the United States. Two new major teacher's organizations have been formed.

RELIGION

13. The Japanese Government has abrogated Imperial Household and Home Ministry Ordinances relating to Shinto. A Shrine Association has been formed to care for matters of mutual interest to shrines which are now without government support and control. Various sects and churches are developing broadened programs of activity.

ARTS AND MONUMENTS

14. The list of important cultural sites submitted by the Japanese Government included 58 parks or gardens, 361 religious and 150 secular structures, 57 collections of art objects and 36 archives or libraries.

MEDIA OF EXPRESSION

Information Dissemination

15. All information dissemination media were used to stimulate free discussion of political, social and economic issues. Particular attention was given to the SCAP directive which outlawed certain militaristic and ultra-nationalistic societies and outlined qualifications for holding public office. The Moscow Conference and the United Nations Organization were explained. Press and radio coverage of the war criminal trials continued.

Radio

16. An advisory committee of citizens was appointed to advise this Headquarters and the government on organization and policy for radio broadcasting. Three new radio programs were produced. A special New Year's Day program was broadcast.

The History of the War in the Pacific radio program continued during the month. A question and answer program has developed as the result of listener response to this broadcast.

Press and Publications

17. Five newspapers have begun publication. One news agency started operation. The major items treated in newspapers included the Imperial Rescript of 1 January, the SCAP purge directives, the food collection program and the change in cabinet personnel.

18. Magazine articles gave increased attention to problems of production and distribution of food. Various political viewpoints were presented in feature articles. One new magazine published a pictorial version of the history of the war.

Women and Youth Movements

19. Political party platforms all contain statements about women's rights. A special press conference on Japanese women's problems was held. A Democratic Women's Club was formed.

Students have organized four research youth groups at universities and colleges to keep themselves informed on social developments. Broadcasts of youth programs increased.

SECTION 5

CIVIL ADMINISTRATION IN KOREA

C O N T E N T S

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ADMINISTRATION AND POLITICAL ACTIVITIES

1. Military Government units previously controlled by tactical unit commanders came under the direct control of the newly integrated United States Army Military Government in Korea (USAMGIK).
2. Attempts to achieve political unification through a coalition of the major parties remain unsuccessful.
3. Demonstrations against trusteeship continued during January. The Commanding General, United States Army Forces in Korea, and the United States Military Governor in Korea advised the Koreans that further demonstrations would only harm their cause.

LEGAL AND PUBLIC SAFETY

4. A system of Special Judicial Officers was established with Military Government officers serving in the capacity of observers and advisors to the Bureau of Justice.
5. Police and fire department personnel remained at their stations during the demonstrations against trusteeship. A Korean constabulary was created.

ECONOMIC ACTIVITIES

6. The Korean Agriculture Association was formed to help Korean farmers. Rice is still considered a critical item and every effort is being made by the Korean Commodity Company to prevent hoarding.

A meeting of the National Sericulture Congress was held in Seoul on 21 and 22 January. The Korean Silk Controlling Company was founded and a five-year plan for the industry formulated.

The reorganization of the Korean Fisheries Development was completed. Over ¥ 3,000,000 worth of equipment was found and is being issued through the fishing guilds.

7. Trade was active but prices are high in comparison to previous months. Steps were taken to establish rigid control of foreign trade.

There is a sufficient supply of pig iron and as a result smelting plants in Southern Korea will not be opened in 1946.

8. The Bureau of Mining and Industry was designated as the distributor and coordinator of the Korea Electric Power Company, the Seoul Electric Company and the South Korea Company.

9. The Japanese language is rapidly being eliminated from telegraphic messages. A survey reveals that 90% of those passing through the Seoul Telegraphic Office are in Korean.

Finance

10. The collection of taxes is very slow because of lack of coordination.

The Chosen Stock Exchange was dissolved and the Chosen Trust Company was assigned the task of liquidating the organization. Military Government sponsored several large loans in January.

There is only one active non-life insurance company in Korea, the Chosen Fire and Marine Insurance Company.

SOCIAL ACTIVITIES

11. The National Committee on Educational Planning met at Seoul on 7 and 8 January for the purpose of formulating a democratic system of education.

The radio and press is being employed to explain to the people principles and obligations of political freedom. Daily broadcasts include speeches from members of political parties, non-political talks, a children's hour and a women's hour.

12. The welfare program was expanded and ¥ 15,000,000 was donated to take care of refugees. Both private and public institutions are receiving assistance.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
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Number 4

January 1946

PART II

POLITICAL - JAPAN

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SECTION 1

GOVERNMENT AND CIVIL ADMINISTRATION

C O N T E N T S

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GENERAL

1. Governmental development and political activity have been constructive, varied and widespread.

2. The two directives of 4 January are among the most important political instruments which have been issued to the Japanese Government. They were entitled, "Abolition of Certain Political Parties, Associations, Societies and other Organizations" and "Removal and Exclusion of Undesirable Personnel from Public Office".

The directives had far-reaching effects. Some of the results were: (1) a reorganized Cabinet, (2) resignations, removals, promotions and new appointments in the national and prefectural governments, (3) changes within the Diet's membership and (4) replacement and selection of candidates for the political parties. The Japanese press has referred to the two directives as "the MacArthur typhoon".

3. The directive of 12 January entitled "Elections", authorized the national elections to be held after 15 March. This has been favorably received by all political organizations, especially by the new candidates who will have more time to address the electorate. The Cabinet decided on 29 January to hold the national elections on 31 March.

4. Political activity in Tokyo and other large cities has been widened and intensified by party leaders and the fast-growing number of candidates in each of the political groups. Interest in politics in the smaller towns and villages is much less than in the metropolitan areas. Party lines in the outlying districts are indefinite and obscure.

Much more party organization and indoctrination will be necessary if political groups are to gain the attention and the ballots of an electorate which at present is much more interested in other matters than national politics.

5. Political discussion has centered on the following: food supply and a more equitable system of distribution; prices and price control of daily necessities; the Cabinet, its new members and policies; women's suffrage and the problem of training women in politics; the formation of the "Popular Front" and party platforms and organizations.

6. The Japanese press continues its attacks against the Government's policies. A realistic appraisal of the newspapers, particularly those in Tokyo, must include their general eagerness to impress the Occupation Forces. Cynical opportunism is mixed with honest conviction in the continuous press criticisms of Japanese officials.

7. Politics are closely linked with the serious economic questions awaiting solution. Editorial warnings concerning the pressing food problems are illustrative. "If we can be fed we don't care who has political power", wrote the Sangyo Keizai.

INDIVIDUAL FREEDOM

8. The abolition of licensed prostitution in Japan was a significant step in the destruction of feudalistic control of the individual and in the development of personal liberty.

A directive of 21 January ordered the Japanese Government to "abrogate and annul all laws, ordinances and other enactments which directly or indirectly authorize or permit the existence of licensed prostitution in Japan and to nullify all contracts and agreements which have for their object the binding or committing, directly or indirectly, of any woman to the practice of prostitution".

The directive emphasized that licensed prostitution was "in contravention of the ideals of democracy and inconsistent with the development of individual freedom".

THE IMPERIAL RESCRIPT

9. The Imperial Rescript carrying the Emperor's greetings for the new year was issued on 1 January. The five clauses (in somewhat revised form from the original translations) of the famous Charter-Oath of the Emperor Meiji were reaffirmed as a foundation on which to construct a new Japan. They read as follows:

"(1) Deliberative assemblies shall be established and all measures of government decided in accordance with public opinion.

(2) All classes, high and low, shall unite in vigorously carrying on the affairs of State.

(3) All common people, no less than the civil and military officials, shall be allowed to fulfill their just desires so that there may not be any discontent among them.

(4) All the absurd usages of old shall be broken through, and equity and justice to be found in the workings of nature shall serve as the basis of action.

(5) Wisdom and knowledge shall be sought throughout the world for the purpose of promoting the welfare of the Empire."

10. In emphasizing these tenets the Emperor stated: "We wish to make this Oath anew and restore the country to stand on its own feet."

The unique and constructive feature of the Rescript was the Emperor's denial of his divinity and his rejection of the concept that "the Japanese people are superior to other races and fated to rule the world."

The Supreme Commander for the Allied Powers expressed gratification with the Imperial statements. The Japanese press received them in the highest laudatory terms.

THE CABINET

11. The Cabinet survived a severe crisis. The directive of 4 January posed a serious question for the Premier because some of the Cabinet members were affected. Opinion within the Cabinet was divided on the proper course to pursue. After much debate and negotiation the minority, who favored the customary resignation, was finally convinced to remain in power.

All Japan awaited the action of the Cabinet on the purge directives with great expectation. Political leaders and the press speculated hopefully on the formation of a new coalition government. The executives of both the Social Democratic Party and the Communist Party advocated such a cabinet for the solution of the existing emergency.

The decision of Shidehara and a majority of his ministers to reorganize rather than to resign en bloc was made public on 11 January. Predictions by many political observers and the press that the Cabinet would not meet the crisis satisfactorily proved ill-founded.

12. The reorganization of the Cabinet was completed on 13 January. It contained three new ministers and six new executives. The most famous name of the group is Chuzo Mitsuichi, a man of long and varied experience in politics and government and a life-long friend of the Premier. Mitsuichi was made Minister of Home Affairs and concurrent Minister of Transportation. He held the latter office 13 days. On 26 January Giichi Murakami received the Imperial investiture as Minister of Transportation.

13. The first formal statement of the re-organized Cabinet was made on 14 January by the newly appointed Chief Secretary, Wataru Narahashi. The policy to be pursued was outlined in a program of five points:

(1) Execution of the general election with impartial and strict methods based on the revised Election Law.

(2) Revolutionary democratization of the Civil Service System.

(3) Revision of the Constitution.

(4) Drastic reform of the House of Peers.

(5) Stabilization of the people's living.

The political parties were assured that discrimination would not be tolerated in the campaigning and in the elections.

14. A new Cabinet is named in Japan only when the pre-existing Cabinet resigns in entirety and goes out of office. The reorganized Shidehara Cabinet, because it did not fall but only individual members were replaced, will remain as the forty-fifth Cabinet rather than the forty-sixth.

15. The members of the reorganized Shidehara Cabinet and their positions are given below:

Prime Minister	Baron Kijuro Shidehara
Minister for Foreign Affairs	Shigeru Yoshida
Minister for Home Affairs	Chuzo Mitsuchi
Minister of Finance	Viscount Keizo Shibusawa
Minister of Justice	Chuzo Iwata
Minister of Education	Yashishige Abe
Minister of Welfare	Hitoshi Ashida
Minister of Agriculture and Forestry	Senpachi Soejima
Minister of Commerce and Industry	Sankuro Ogasawara
Minister of Transportation	Giichi Murakami
First Demobilization Minister	Baron Kijuro Shidehara
Second Demobilization Minister	Baron Kijuro Shidehara
Minister without Portfolio	Joji Matsumoto
Minister without Portfolio	Ichizo Kobayashi

Chief Secretary	Wataru Narahashi
Deputy-Chief Secretary	Akiyoshi Tajiri
Director-General of the Bureau of Legislation	Takeshige Ishiguro
Vice President of Post War Rehabilitation	Tadayasu Shigeta
Board of Communications Director of Material Bureau	Ichiro Hayashi
Director of Building and Repairs Division	Hirokichi Nakayama

PERSONNEL CHANGES

New Privy Councillor

16. Dr. Tatsukichi Minobe, a noted authority on the constitution and former Professor of Law at the Imperial University, has been appointed to the Privy Council. He had been disgraced and persecuted by the military, the Ministry of Education and the Ministry of Justice. His reinstatement into Japanese official life has been warmly welcomed.

Ministries

17. Personnel changes within the ministries and other national agencies took place immediately after the reorganization of the Cabinet. Some of the incumbents resigned voluntarily; others were expelled from office.

The following list of officials covers all ministries and agencies other than the Ministry of Home Affairs.

MINISTRY OF FOREIGN AFFAIRS

<u>Office</u>	<u>Appointment</u>
Parliamentary Vice-Minister	Vacant (Ken Inugai retired)
Parliamentary Councillor	Vacant (Shutaro Matsuura retired)
Director of Diplomatic Affairs Bureau	Shikao Matsushima (Akiyoshi Tajiri retired)
Director of Investigation Bureau	Kota Hoketsu (Shoji Ogata retired)

MINISTRY OF FINANCE

Vice-Minister	Yoshimi Yamada (Masamichi Yamagiwa retired)
Parliamentary Vice-Minister	Vacant (Yoshiji Yutani retired)
Parliamentary Councillor	Vacant (Kumekichi Yamamoto retired)
Director of Accounts	Uichi Noda (Kenjo Nakamura retired)
Director of Foreign Currencies Bureau	Mitsuo Kushida (Uichi Noda retired)
Director of Financing Bureau	Shozo Ezawa (Bunzo Kubo retired)
Director General of Monopoly Bureau	Shosaku Sugiyama (Koshiro Ueki retired)

MINISTRY OF JUSTICE

Parliamentary Vice-Minister	Vacant (Ryukichi Teshirogi retired)
Parliamentary Councillor	Vacant (Count Akira Watanabe retired)

MINISTRY OF EDUCATION

Vice-Minister	Kyosuke Yamazaki (Sei-ichi Onura retired)
Parliamentary Vice-Minister	Vacant (Viscount Tsuyo Mishima retired)
Parliamentary Councillor	Vacant (Jujiro Morita retired)
Vice-Director of Social Education Bureau (Newly Established)	Kinji Shimizu

FIRST DEMOBILIZATION MINISTRY

Parliamentary Vice-Minister	Vacant (Hajime Miyazaki retired)
Parliamentary Councillor	Vacant (Kiichi Noguchi retired)

SECOND DEMOBILIZATION MINISTRY

Parliamentary Councillor	Vacant (Yasunosuke Hoshino retired)
Director of Judicial Affairs Bureau	Vacant (Ei-ichi Fujii retired)

MINISTRY OF WELFARE

Vice-Minister	Sei-ichiro Yasui (Koichi Kanoyama retired)
Parliamentary Vice-Minister	Vacant (Shotaro Yano retired)
Parliamentary Councillor	Vacant (Waichiro Tanaka retired)
Director of Health Bureau	Minoru Katsumata (Shigetami Sawa retired)
Director of Health Promotion Bureau	Sei-ichiro Yasui (Sanzo Miyawaki retired)

Director of Social Affairs Bureau	Yoshisuke Kasai (Minoru Kurihara retired)
Director of Labor Administration Bureau	Kei-icho Yoshitake (Tsuneya Takahashi retired)
Director of Labor Bureau	Chuu-ichi Yoshida (Toshio Saeki retired)
Director of Temporary Infectious Disease Prevention Bureau	Toshio Abe (Minoru Katsumata retired)

Relief Board

Vice-President	Sei-ichiro Yasui (Tetsuomi Sudo retired)
Director of Control Bureau	Sei-ichiro Yasui (Tetsuomi Sudo retired)
Director of Aid Bureau	Sei-ichiro Yasui (Tetsuomi Sudo retired)

MINISTRY OF AGRICULTURE AND FORESTRY

Vice-Minister	Hachiya Kohama (Ryosei Ka-ai retired)
Parliamentary Vice-Minister	Vacant (Akira Ko-oro retired)
Parliamentary Councillor	Vacant (Shunpachi Hojo retired)
Director of General Affairs Bureau	Junkichi Ishikawa (Shakichi Mogami retired)
Director of Foodstuffs Bureau	Ei-ichi Sakata (Wakio Shibano retired)

Bureau of Staple Food Administration

Director-General	Yoshio Kusumi (Yoshitaka Namikawa retired)
Vice-Director-General	Tokichi Abiko (Yoshio Kusumi retired)

MINISTRY OF COMMERCE AND INDUSTRY

Parliamentary Vice-Minister	Vacant (Budayu Kogure retired)
Parliamentary Councillor	Vacant (Takeo Yamane retired)

Minister's Secretariat

Chief of Accounting Section	Teruhiko Hasegawa (Yoshio Minami retired)
Chief of Investigation Section	Daisuke Saito
Director of Adjustment Division	Akiyoshi Miki (Teijiro Yoshida retired)
Vice-Director of Adjustment Division	Taro Wada (Akiyoshi Miki retired)
Director of Commercial Affairs Bureau	Shigeo Suzuki (Shinzo Okuda retired)
Director of Industrial Affairs Bureau	Shigeo Suzuki (Shinzo Okuda retired)
Director of Mining Bureau	Kinzaburo Ikeda (Shigeo Kitano retired)

Board of Coal

Director General	Shinzo Okuda (Hajime Sato retired)
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MINISTRY OF TRANSPORTATION

Parliamentary Vice-Minister	Vacant (Gyoji Arai retired)
Parliamentary Councillor	Vacant (Hisao Shirakawa retired)

General Railway Board

Director of Personnel Bureau (Newly Established)	Kiyonori Tomiyama
Director of Operation Bureau (Newly Established)	Katsutaro Konishi
Director of Electric Bureau (Newly Established)	Ei-ichi Nishimura

General Maritime Board

Director of Maritime Transport Bureau	Saneyuki Nagai (Ki-ichi Arita retired)
Director of Shipbuilding Bureau	Susumu O-ozu (Toshio Takiyama retired)
Director of Land Transportation Control Bureau	Kunryo Mitsuo

CENTRAL LIAISON OFFICE

President	Shigeru Yoshida (Kenji Kodama retired)
Vice-President	Kuro Kano (Tadamu Nishiyama retired)
Director of Second Division	Kotaro Ono (Mitsuo Kushida retired)
Director of Fifth Division	Ryuji Takeuchi (Katsuzo Okumura retired)

Ministry of Home Affairs

18. On 25 January the new Minister of Home Affairs stated his policy on the replacement and appointment of new officials under the Ministry's responsibility. He issued a detailed list of the recent changes and stated that he hopes to complete them with a minimum of friction.

Mitsuchi's policy was practical and liberal in terms of past Japanese procedure. It encouraged the resignation of those who felt the war guilt and established an open door principle for appointments. The major percentage of new officials will henceforth come from the other ministries and from civilian, professional and technical fields rather than from the Ministry of Home Affairs which had been the rigid custom in the past. The new policy will place emphasis upon those who can perform liaison with the Allied Forces and who have special knowledge of food problems.

There were 42 personnel changes within the Ministry of Home Affairs and in offices under its jurisdiction. Thirty-two officials were retired and 10 were removed from office.

The following changes were made:

Vice-Minister	Sei-ichi Omura (Chiaki Saka retired)
Parliamentary Vice-Minister	Vacant (Suegoro Kawasaki retired)

Parliamentary Councillor	Vacant (Sukematsu Naka retired)
Director of Police and Public Order Bureau	Noboru Tanikawa (Goro Koizumi retired)
Director of Local Affairs Bureau	Yu-ichi Kori (Sei-ichiro Irie retired)
Director of Control Bureau	Sei-ichi Omura (Hiro-o Oshima retired)

Prefectural Governors

19. Mitsuchi's policy on new appointments was applied to the prefectural governors. Five of the replacements came from civilian ranks, nine came from the retired lists within the Ministries (three from the Home Ministry and six from the others), two were technicians, four represented interdepartmental changes and 10 were promotions from the lower ranks.

20. The names of newly appointed and retired prefectural governors are given in the following list:

<u>Prefectures</u>	<u>Governors</u>	<u>Retired Governors</u>
Aichi	S. Hayakawa	R. Fukumoto
Akita	I. Isobe	
Aomori	R. Ohno	M. Kanai
Chiba	T. Ono	M. Ikezumi
Fukui	T. Saito	S. Miyata
Fukuoka	S. Noda	K. Soga
Gumma	S. Kitano	T. Takahashi
Hokkaido	S. Tomeoka	Y. Mochinaga
Hyogo	S. Kishida	R. Saito
Iwate	H. Haru	T. Miyata
Kagawa	J. Takeuchi	S. Tanaka
Kanagawa	J. Uchiyama	T. Fujiwara
Kochi	S. Yoshitomi	
Kumamoto	H. Nagai	A. Hirai
Mie	G. Saiki	C. Kobayashi
Nagasaki	S. Sugiyama	W. Nagano
Nara	S. Ono	N. Oda
Niigata	H. Sato	M. Hatakeda
Okayama	H. Nishioka	T. Azumi
Osaka	S. Matsui	J. Anai
Saitama	J. Mishimura	T. Seki
Shiga	W. Shibano	S. Inada
Shimane	M. Suzuki	
Shizuoka	G. Kobayashi	K. Hotta
Tochigi	K. Ogawa	T. Soma
Tokyo	S. Fujinuma	
Toyama	K. Tanaka	
Wakayama	M. Kanai	
Yamaguchi	I. Aoyagi	S. Okamoto
Yamanashi	N. Saito	

GOVERNMENTAL STRUCTURAL CHANGES

Councils Reactivated

21. The Economic Ministerial Council, which is a policy forming body on food and economic questions, was reactivated by the Cabinet on 18 January. The Administrative Readjustment Council, estab-

lished on the same day, will make special studies of the recent directives and their effects.

Abolition of Bureau of Japanese History Compilation

22. The Ministry of Education abolished the Bureau of Japanese History Compilation. Its function was to provide propaganda material and to produce ultra-nationalistic works. The Bureau was first instituted in December 1943 as the Preparation Commission for the compilation of Japanese History. It was announced that the original 15 year project on the history of the Empire was never started.

POLITICAL PARTIES

General

23. The tempo of political activity increased. Most of the parties have been busily engaged formulating and defining their platforms, organizing agencies in the prefectures for local campaigning and further selecting and training their candidates.

Many political parties were affected either directly or indirectly by the two directives of 4 January.

The Progressive Party (Shimpo To)

24. The Progressive Party received a serious blow when estimates of barred candidates ran as high as 200 out of its 272 old Diet members. Only three of its leaders and officers remained unaffected.

The party was further weakened on 25 January when Sankuro Ogasawara, Minister of Commerce and Industry, announced that he would give up his membership in the organization. Ogasawara stated that he wished to maintain a strictly neutral position in the government.

The losses sustained by the Progressives have not destroyed their determination to maintain their position in Japanese politics. The party is being reconstructed with the younger men and women as a bulwark. The Progressives are searching for Diet candidates who do not fall under the provisions of the directive. They have authorized about 400 old and new candidates for the coming elections.

The selection of a new leader is one of the immediate problems facing the party. Among those mentioned as having been approached, unsuccessfully, is the aged Minister of Home Affairs, Mitsuchi.

The executives of the party made an official announcement that they would support the government without qualification.

The Social Democratic Party (Shakai To)

25. The Social Democratic Party was one of the least affected by the directives. As a result the party will develop an extensive campaign in the forthcoming general election with the hope of gaining a majority. The group is determined to increase the number of its recognized candidates to 300. The expected struggle by left wing leaders to oust members of the right and those affected by the purge directive has failed to materialize.

The party continues without a president. Among the candidates for party leadership are Ikuro Oyama, prominent Socialist Leader

who is now in the United States; Tetsu Katayama, Secretary-General of the party; and Komakichi Matsuoka, a veteran leader of the trade union movement in Japan.

After the meeting of the All Japan Central Committee on 16 January the Social Democrats affirmed their support of the Tenno system. The position of the Emperor had been a source of friction within the party.

The Communist Party (Kyosan To)

26. The Communists have been one of the most active of all political groups. They welcomed the SCAP directive as an important step for the democratization of Japan. While the document left the party unaffected it strengthened the party's position by dealing a serious blow to its political opponents.

New prestige and vigor was added to the Communist Party with the arrival in Japan of Nozaka, the Japanese Communist exile, on 12 January. Much attention has been given to Nozaka because of his past experiences.

Arrested several times in the decade from 1920 to 1930 Nozaka spent a number of years in jail. In 1930 he left Japan and in April 1931 arrived in Moscow. According to his own statements he remained in and around Moscow until 1940 at which time he returned East. He spent the last two years in Yenan Province, China, lecturing and propagandizing Japanese prisoners of war on the doctrines of Communism and developing a program for the Japanese Communist Party.

Nozaka was given a rousing welcome at a homecoming party for him in Tokyo on 14 January. His now famous statement, "Let the Communist Party be loved by the masses", which he made enroute to Tokyo, has become an important slogan.

The Communists have devoted much energy and propaganda toward the realization of a democratic front. They aim to stabilize the nation's livelihood and to democratize Japan by cooperating with other democratic groups, particularly the Socialists. Such a front would develop a coalition of the workers, farmers and small businessmen. Cognizant of their weakness in numbers and national importance, the Communists have made overtures to other parties.

The efforts of the Communists have been unsuccessful. The Central Executive Committee of the Social Democratic Party for the fourth time rejected the Communist Party's proposal for the formation of a "united front". On 29 January the party reconsidered the problem of cooperating with the Communists but again decided to uphold the resolution passed on 16 January. The Social Democrats claim that both parties are still in the process of organizing and that cooperation in a "united front" is premature at the present time.

The Communist Party has selected its course for the general election. Over 100 persons have been recognized as candidates for seats in the House of Representatives. The Communists are making arrangements to take a strong stand by increasing the number of their candidates. It is expected that Nozaka will be a candidate.

The modification of their original platform which called for the abolition of the Emperor system was one of the more important steps taken by the Communists after Nozaka's return. The party now declares that it is the Emperor system as a State institution which it expects to overthrow, while the continuance of the Imperial Household should be determined by the democratic will of the people.

The party continues its campaign against war criminals and the infringement upon people's rights. It demands the resignation of the Shidehara Cabinet en bloc.

The Communists are attempting to enlarge their organization by making special appeals to war veterans to join their ranks.

The Liberal Party (Jiyu To)

27. The Liberal Party is reported to have lost 13 of its officers and 12 of its ex-Diet members as a result of the new directives. The loss will not force the party to reorganize or change its plans for the forthcoming election.

Wataru Narahashi, Chief Secretary of the reorganized Shidehara Cabinet, announced his resignation from the party on 15 January. It is understood that Mr. Narahashi wished to have a neutral position in the forthcoming general election.

The party's six-member Council for the investigation of constitutional reform presented its proposals at the General Affairs Board meeting on 16 January. The general plan of constitutional reform proposed by the Liberal Party concerns the Emperor and the question of sovereignty. Sovereignty, it states, lies in the nation; the Emperor is of one lineage for all ages; the Emperor has no legal and political responsibilities.

The plan further proposes that all national affairs performed in the name of the Emperor should be performed on the advice of state ministers. These affairs include the sanction and promulgation of laws, the convening, opening and closing of the Diet and the appointment and dismissal of government officials.

The Liberal Party has authorized a total of 350 candidates for the coming election. It advocates the resignation of the Shidehara Cabinet.

Rightist Fronts

28. A number of small rightist parties has banded together to form an anti-Communist front. Two such groups have been announced. One centered in Tokyo is called the "Federation of New Parties", the other centered in Osaka is called the "Council for Imperial Subjects Front".

The former is composed of 14 parties with the following common slogans: elimination of all old "influences" within Japan; "revision" of the Emperor system; public election of the Prime Minister and democratization of Japan's planned economy.

The Osaka organization started off with seven groups composed mostly of young men. It has issued an appeal to eliminate Communist forces from Japan's politics. A publication called, the "Imperial Flag", will wage propaganda warfare on the Communists' "Akahata" or "Red Flag".

29. A third effort to combat Communist influence is being formed under the name of "Hankyo Renmei" or "Anti-Communist League". This group is scheduled to be inaugurated officially on 11 February. Its leader, Jiro Asai, denies that this new political organization has any rightist leanings. He states that its professed purpose is to launch a nation-wide movement against Communism.

Buddhists in Politics

30. Spurred by the emergence of Leftist and Rightist "fronts", the Buddhists in Japan have decided to form a united Buddhist front. They plan to send letters signed by the heads of all Buddhist sects recommending their candidates to voters. They will dispatch election campaigners to the districts on which they will concentrate. Campaign funds solicited from members of all sects will be managed by a special committee in the Buddhist Section of the Japan Religious Society.

Twenty-eight priests have been selected as candidates. Those elected to the Diet plan to form a Buddhist Club to promote Buddhist interests.

Small Parties

31. The mushrooming of minor parties has continued. An incomplete list submitted by the Home Ministry showed 93 by the end of January. This is about double the number of parties with which Japan started its parliamentary life. At that time the population was 39,000,000 compared with the present 72,000,000.

EXTERNAL AFFAIRS

32. The process of bringing Japanese foreign relations under the control of the Supreme Commander, begun in October 1945, was completed in January 1946.

33. On 7 January copies of communications between the Japanese Government and its former diplomatic and consular representatives abroad on the subject of closing of foreign missions and transfer of diplomatic and consular property abroad to Allied representatives were transmitted to Washington. These and other reports received from the Japanese Government and from the Department of State indicate full compliance on the part of the Japanese Government with instructions by SCAP.

According to these reports, Japanese diplomatic and consular archives and property abroad have been or are being transferred as directed; Japanese representatives in neutral countries have been recalled and are in the process of being repatriated; communications between the Japanese Government and its former diplomatic and consular representatives abroad, except as authorized, have ceased; direct relations between the Japanese Government and neutral representatives in Japan have been stopped; and relations between the Japanese Government and foreign governments on certain limited authorized matters are channeled through SCAP.

34. The United States Department of State was informed that the Canadian Department of External Affairs did not plan to take custody of Japanese diplomatic and consular archives and property in Canada. Upon receipt of this information SCAP Headquarters instructed the Japanese Government to request the Swiss Government to direct its representative in Canada to deliver the archives and property to the American Ambassador in Canada. A note from the Japanese Government containing the required request was transmitted to the Swiss representative through SCAP.

35. A SCAP directive of 29 January ordered the Japanese Government to cease exercising, or attempting to exercise, governmental or administrative authority over any area outside Japan, or over any government officials and employees or any other persons within such areas. It prohibited communications between the Japanese Government and all such persons except for certain limited authorized functions directly connected with the occupation. It required certain

information from the Japanese Government concerning agencies dealing with areas outside of Japan and made provision for the preservation of the records of those agencies.

The purpose of the directive was to complete the governmental and administrative separation from Japan of all areas other than the four main islands and certain adjacent minor islands.

Information from the Bureau of Census, Department of Commerce, is being furnished to the Bureau of the Census, Department of Commerce, for their information and use.

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SECTION 2

PUBLIC SAFETY AND INTELLIGENCE

C O N T E N T S

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LAW AND ORDER

1. Relations between the Occupation Forces and the Japanese remained satisfactory with only a few isolated cases of friction. There were few attempts by Japanese to steal or rob supplies of the Occupation Forces.

2. Some minor disturbances were caused by Korean nationals who had been liberated and were awaiting repatriation to Korea. They attempted to loot and rob their former Japanese oppressors and in a few instances endeavored to affect the forcible release of members of their race from Japanese jails.

3. There were scattered raids by Japanese on food and storage warehouses of their own government.

Specific Incidents

4. Two Japanese detected in the act of looting Army warehouses were killed and one Korean was wounded by United States Army guards in the Kamagaya area during 3 and 4 January.

The Japanese were publicly informed that the looting or theft of Allied supplies would be severely punished. They were told that SCAP had issued orders which prohibited the purchase of Japanese food and supplies by the Occupation Forces except as authorized and that Allied personnel had been forbidden to enter public drinking or eating establishments where Japanese food was served.

5. Two Japanese attacked a United States Army sentry returning from duty and attempted to disarm him near Sendai on 20 January. One of the attackers was apprehended but the other escaped.

6. One Japanese was killed and another wounded at Hirosaki. They were looting a United States Army billet during a fire which destroyed one of the buildings.

7. A raid was made by Japanese on the former Japanese Army arsenal at Miyonodai, Itabashi-ku, Tokyo, following a report which had been circulated to the effect that foodstuffs stored there were being withheld from the public.

8. A group of some 80 Koreans armed with clubs and pistols stormed the Tomigawa Police Station in Tokyo on 3 January and forcibly obtained the release of a Korean who was being held prisoner.

A conference was held the following day by representatives of SCAP with leaders of the various Korean organizations in Japan. It was pointed out that such incidents were not only unlawful but were likely to be harmful to the Korean cause. The Korean leaders promised to use their influence to restrain lawless elements among their groups.

9. In Sapporo a military commission sentenced one Japanese youth to death and two others to 30 years imprisonment for the murder of an American sentry during the attempted robbery of an Army warehouse.

10. An American soldier who killed two Japanese civilians in Nara during November was tried by a military commission at Osaka. He was found guilty of murder without provocation and received a death sentence on 13 January. The case is in process of review.

Black Markets

11. Black-market operations were widespread, notably in food-stuffs and commodities formerly held by the Japanese armed services. Reports from the various prefectures indicated that in many places black markets were operating openly with only occasional preventive action by the Japanese authorities. Traffic in goods of the Occupation Forces did not increase due to the vigilance of the military police and the Japanese civil police.

12. In Fukuoka a Fifth Air Force sergeant aided in the uncovering of a large black-market scheme by posing as the henchman of six Japanese participants. They planned to seize some 150 truck-loads of Japanese Army goods valued at ¥ 15,000,000 in the black market. This property had been assigned to United States redistribution centers in the Fukuoka area.

13. With the approval of his commanding officer the sergeant met with the Japanese for a period of six weeks and furnished three Army trucks and drivers to aid in transportation of the loot. The party met the Japanese at a secret rendezvous and found them with two trucks of clothing and equipment which they had already obtained. While negotiations were in progress military police appeared and arrested the Japanese. The two trucks and clothing were seized together with currency amounting to \$ 2,000. The racketeers had planned to net over ¥ 1,000,000 in the whole operation.

14. Three American soldiers were sentenced to imprisonment and a fourth was acquitted by a military commission on black-market charges involving the sale of Army goods in Tokyo. They had been arrested 30 October when military police raided the Marunouchi Hotel, the headquarters of a ring which was alleged to have disposed of approximately \$ 1,000,000 worth of goods.

A former Italian embassy employee who was the alleged leader of the group will be tried by an American military commission.

Demoralization of Japanese Servicemen

15. Concern over reports that demobilized Japanese servicemen were demoralized was expressed by the Emperor on 10 January in messages to the First and Second Demobilization Vice-Ministries.

The ministers reported that some had become black-market

operators and thieves. It was reported that with the exception of men from farming centers the majority of the demobilized servicemen are demoralized and have lost all purpose and interest in life through the "upheaving change of circumstances, the cold treatment of the world and the present economic conditions which make honest living difficult."

It was stated that ex-servicemen must be given immediate material and spiritual help. The Employment Guidance Association which treats ex-servicemen in the same class with the ordinary unemployed was not regarded capable of filling the present needs of these ex-servicemen.

Liquors

16. Members of the Occupation Forces have been obtaining poisonous whiskey from Japanese sources. Renewed efforts were made to halt this activity which already has cost the lives of 20 servicemen. In Tokyo two raids were made on houses in the Nakano-ku area on 21 January resulting in the arrest of seven men and the seizure of ¥ 700,000 and the confiscation of over 500 bottles of illegal whiskey and numerous supplies for making poisonous whiskey.

The supplies included crocks of raw alcohol, gallon drums, bottles, seals, caps, corks, counterfeit labels and revenue seals, together with a quantity of sugar, coloring material and other ingredients.

POLICE

17. This Headquarters requested Lewis J. Valentine, former Police Commissioner of New York City, and other prominent public safety experts in the United States to come to Japan and give advice on matters of public safety.

Changes

18. The Japanese Cabinet decided on 15 January to appoint the Governor of Yamanashi Prefecture as Director of the Police Bureau of the Home Ministry.

19. The regulations governing officials of prefectural governments were revised on 16 January to permit the appointment of a police inspector for each of the prefectures. They had been previously appointed only in Tokyo, Hokkaido, Kyoto, Osaka, Kanagawa, Aichi, Fukuoka and Hyogo. The new police inspectors will technically occupy posts vacated by the dismissal of special police chiefs under the October "Bill of Rights" directive of this Headquarters.

The purpose of this revision was to "improve the quality of the police service and promote efficiency in the conduct of business in all branches of the police force".

20. The Japanese Government was ordered by a directive of 16 January to abolish the Keibei-tai, an auxiliary police organization. It was directed to disband all other organizations and mobile forces used to augment the regular police force. This action did not affect the total allowable strength of the Japanese civil police which was fixed in October at 93,935.

Relations with the Public

21. The Japanese Ministry of Home Affairs which has jurisdiction over the Japanese police is taking an active part in improving the relations between the police and the public. Several high officials were dispatched to the prefectures to hold meetings with representative citizens and record their views on improving police administration.

Some people interviewed stated that the "evil conduct" of the police was diminishing. Others voiced the opinion that "some police officials do not understand the true meaning of a democratic police system and are unnecessarily haughty and unkind." Many suggested the improvement of police uniforms and the discontinuance of wearing swords in order to make the police less forbidding to the public.

22. The police themselves demanded greater democratization within the police ranks. A number of Tokyo police interviewed by the Tokyo Shimbun stated that "the public hates us because we are policemen." They said that they desired to be "loved and trusted citizens." They requested the abolition of saluting, sword carrying and other militaristic practices. All desired an increase in pay to attract a higher type of personnel to police work.

23. In its campaign to win the public, the Japanese police have adopted a new slogan: "Respect human rights, keep alert, and always be kind and popular."

Police Equipment -

24. The Japanese civil police resumed the carrying of service revolvers after having been advised by SCAP that previous directives dealing with disarmament of the Japanese Armed Forces had not prohibited the practice. The use of revolvers by policemen had been terminated by the Japanese at the beginning of the occupation. Carrying of revolvers is now limited to personnel of the police force for whom possession is considered necessary to the proper performance of their official duties. The total number of revolvers must not exceed the actual strength of the police; and a maximum of 100 rounds of ammunition is allowed for each weapon.

25. The Hyogo prefectural police began using police dogs to assist in patrol work.

FIRE

26. A fire prevention drive was initiated by the Occupation Forces in the Tokyo-Yokohama area as a result of an increase in the number of fires at military installations. The majority of these fires resulted from faulty maintenance of gas and oil burners, faulty inspection and the lack of adequate instructions in fire prevention.

27. Additional fire extinguishers and equipment are being obtained from rear bases and the United States. At present two engineer fire-fighting platoons of 25 men and four engines each are located in Yokohama. These units cooperate with the Japanese firemen.

28. Two fires in less than a week at the huge Mitsubishi shipyards required the combined efforts of the Occupation Forces

and the Japanese. The second fire destroyed many records. The efforts of the Japanese firemen were greatly hampered by outworn equipment.

GENERAL CIVIL INTELLIGENCE

29. Intelligence agencies are investigating reported violations of SCAP directives to the Japanese Government. In general, careful compliance with the spirit and terms of directives has been noted. In some cases reluctance and slowness to act was attributed to misconception of instructions and to difficulties encountered by the Japanese in making proper language translations. The majority of violations consisted of failures to make full disclosures of contraband material and weapons and the continued public employment of personnel of prohibited categories.

30. Authorities of the Japanese Government were reprimanded by SCAP for permitting the disposal of supplies and equipment between 14 August and 2 September before proper inventories could be made by the Occupation Forces. This material was transferred by the Japanese Armed Forces contrary to the terms of the Potsdam Declaration. The Japanese Government has been notified to make an accounting of this material and to provide the names of officials responsible for its disposition.

31. Reported violations of SCAP directives liberalizing the educational system were investigated. In some cases textbooks were found to contain nationalistic and other prohibited subject matter. The screening of professors and teachers continued.

32. Reluctance to accept the spirit as well as the letter of the directive abolishing the Tokka-ka (Special Higher Police) and the Kempei-tai (Military Police) has been noted in a number of instances. Care is being exercised to prevent elements of these organizations from remaining in public office.

Contraband Material

33. In Gumma Prefecture civilian concerns were found to be in possession of 35 Japanese Army trucks, 26 tanks in a state of disrepair and a quantity of expensive meteorological equipment.

In Nara the Japanese police confiscated during one week 2,306 rifles, 96 machine guns, 52 mortars, 659 hand grenades, 7,200 Japanese swords and 57 pistols.

In Okayama it was discovered that a complete radio transmitter and receiver were being used by a public office without the knowledge or consent of the Occupation Forces.

Near Kofu the Occupation Forces on 26 January destroyed some 5,000 Japanese rifles. South of Urawa a patrol seized 41 heavy machine guns, 150 light machine guns, 300 rifles, 1,000 bayonets and one airplane locator.

34. The Japanese Government requested clarification of the SCAP policy with reference to possession by civilians of swords classified as objects of art. A reply reaffirmed the SCAP policy established 24 September 1945 permitting the retention of swords which were genuine objects of art.

Foreign Nationals

35. Activities of Axis diplomatic personnel in Japan are under continuous investigation. A directive of 11 January required the

Japanese Government to submit complete lists of the diplomatic personnel of Bulgaria, Germany, Hungary, Rumania and Italy.

Other Axis nationals were restricted to the prefectures in which they resided pending further action.

36. A directive of 31 January required the Japanese Government to conduct a survey and to furnish SCAP Headquarters by 15 February with the nominal rolls of German nationals desiring repatriation and their place of residence in Germany by city or town, district and province. It was directed to provide a separate list of these Germans grouped by families and containing the names, local address, age and sex of the members of such families.

37. It was learned that a large group of German nationals who were organized under Nazi leadership enjoyed the best of living conditions in Japan during the war. One lucrative source of income was a share in the cargoes of prize ships brought into Japanese ports by German submarines. SCAP agents on 11 January reported that in a single Nazi headquarters in Sengoku Nara more than ¥ 50,000,000 had been discovered together with large stores of platinum and numerous other valuables.

38. Heinrich George Stahmer, former German Ambassador to Japan, was interned at Sugamo Prison on 9 January. He had been under guard since September pending completion of an investigation of his activities. Stahmer who had previously served as Ambassador to China came to Japan to promote the Tri-Partite Pact between Germany, Italy and Japan. He was one of Joachim von Ribbentrop's favorites and was appointed to the embassy post in Tokyo following the signing of the pact.

CENSORSHIP

39. Japanese press, radio and pictorial violations of censorship regulations were at a minimum. None were serious enough to warrant suspensions. Most violations related to press and radio code clauses which forbid utterances likely to disturb public tranquillity.

Press

40. Of the 37,924 pages of press copy which were read before publication and 686 items were deleted or disapproved. A total of 1,850 newspapers were post-censored and 80 violations were called to the attention of publishers.

Pre-censoring of 183 magazines resulted in the disapproval of six articles. Forty-seven violations were found in the 317 magazines post-censored.

Pictorial

41. A directive of 28 January ordered the Japanese Government to require all owners and producers of motion pictures and lantern slides, 16 mm or 35 mm, silent or sound (full feature length, educational, cartoon or newsreel), to submit to SCAP Headquarters not later than 28 February a complete list of all uncensored films.

It was directed to prohibit producers, distributors and exhibitors from showing in Japan any such motion pictures or lantern slides which did not bear a Civil Censorship identification number.

The purpose of this directive is to prevent the showing of war productions which might contain militaristic themes or other

prohibited subject matter.

Radio

42. A total of 11,046 broadcast items were examined; 32 were disapproved and 74 were deleted. All program broadcasts were pre-censored and subsequently monitored to check on conformity to the approved scripts.

SECTION 3

LEGAL AND WAR CRIMES

C O N T E N T S

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1. Directives were issued for the arrest of additional persons suspected of war crimes. Investigation of the majority of Japanese POW camps was completed.

2. Preparation of cases against persons charged with war atrocities continued. Trial of three cases before military commissions at Yokohama was completed. Three other cases were in process of trial at the close of the month.

3. The International Prosecution Staff developed its organizations and began to gather and analyze data for the prosecution of major war criminals. The Charter for the International Military Tribunal of the Far East was approved by the Supreme Commander. Seven participating countries nominated their members for the Tribunal. Associate prosecutors were named and their arrival in Tokyo is expected in February.

LEGAL ADVICE

4. Legal advice and assistance were given on varied subjects.

Specific legal questions which required the attention of this Headquarters were:

(1) The authority of war crimes investigating officers or prosecution personnel to administer oaths. Under existing statutes these officers have authority to administer oaths only in the course of investigations. They do not possess the broad authority of summary court officers.

(2) A study was made of the problems involved in the confinement of war criminals who had been convicted by military tribunals and sentenced to imprisonment for life or for a term of years.

(3) An opinion was rendered holding that the wrongful use or conversion of Red Cross parcels are within the category of war crimes and that such acts may be the subject of charge and trial before military commissions.

(4) A question was raised involving the legal right to request jurisdiction by a military commission over the person of a suspected war criminal who claimed United States citizenship.

It was concluded that the attempted trial of such a person as a war criminal would not be desirable until determination of his citizenship claim and the propriety of his trial for treason.

Although the person in question had acquired his United States citizenship by reason of the citizenship of his father, it was held that such citizenship could be forfeited by the failure to assert it properly before the war and by the performance of positive acts in aid of the Japanese Government during the war. Under these circumstances he might be liable to trial as a war criminal.

(5) An opinion was rendered approving the procedure of the XXIV Corps in taking articles of clothing and other personal property belonging to Japanese and distributing them to destitute Koreans and to other Japanese who were being repatriated. It was held that this action was justified as an emergency measure under international law.

(6) The Tokyo Post Exchange was advised that it was not necessary to carry liability insurance to cover claims which might arise by reason of possible injury to civilians of any nationality who visited the Exchange on official business. It was held that the Exchange could assert the immunity available to the War Department and that adequate remedies were available to claimants under the Foreign Claims Act and the Military Claims Act. It was decided that funds expended to satisfy such claims were in the nature of costs incident to the occupation and were chargeable against the Japanese Government.

(7) Koreans who had received a five-year imprisonment after the illegalsale of rice petitioned the Occupation Forces for release. The trial had occurred prior to the surrender of Japan. At the time of the petition for release, review of the case was pending in a Japanese appellate court. The Koreans asserted that the sentence was excessive, that no illegal act had been intended and further that if released they would agree to return to Korea.

It was the opinion of this Headquarters that there should not be any arbitrary interference with the normal functioning of the Japanese judicial system. The right was reserved to the Commanding General concerned to investigate, at his discretion, any petition for relief.

He may take necessary steps to assure any defendant a just and fair trial in the Japanese courts. When all legal remedies permissible under Japanese law have been exhausted, the Commanding General may review and correct any injustices which resulted from the final decision of a Japanese court. In the interest of law and order it was not believed desirable to release persons from confinement or to remove their cases from the jurisdiction of the Japanese courts simply because of the nationality of the petitioners.

APPREHENSION OF WAR CRIMINALS

5. Directives require the Japanese Government to advise this Headquarters when individuals listed for arrest have been delivered to the prison authorities. In the event the Japanese Government is unable to deliver individuals named, it is required to make a report in detail giving present location of the individual not arrested and the reason for failure to arrest.

In some cases a specific deadline is stipulated. Usually when many persons are listed in a single directive, their delivery is required at "the earliest practicable date".

Orders for Apprehension

6. During January seven directives were issued requiring the Japanese Government to arrest 171 persons and deliver them to Sugamo Prison. The lists contained the names of Army and Navy personnel whose comparative ranks ranged from Private to Lieutenant General. Prison guards, interpreters and other civilians were included. The majority was "alleged to have committed atrocities and offenses against persons of United Nations nationals while confined in prisoner of war camps, internment camps and hospitals in Japan".

ORDERS FOR APPREHENSION JAPAN - JANUARY 1946

<u>Date and File Number of Directive</u>	<u>SCAPIN</u>	<u>Number of Persons Ordered Apprehended</u>
AG 383.7 (4 Jan 46) CIS	553	2 (1 Army Col., 1 Navy Ensign)
AG 383.7 (4 Jan 46) CIS	560	6 (unclassified persons)
AG 312.4 (7 Jan 46) CIS	562	1 (Judicial Major)
AG 000.5 (7 Jan 46) LS	611	48 (Army and Navy, civilians)
AG 312.4 (19 Jan 46) CIS	621	2 (1 Maj. Gen., 1 Lt. Col.)
AG 000.5 (21 Jan 46) LS	631	111 (Army and Navy, civilians)
AG 000.6 (29 Jan 46) CIS	675	1 (Warrant Off., Kempei-tai)
Total Persons		<u>171</u>

7. Five directives dealing with miscellaneous matters were issued. Two were concerned with notices to the Japanese Government, one informing that Jitaro Kihara, former Japanese counsel at Daveo, Philippine Islands, had been apprehended and was incarcerated at Sugamo Prison, the other advising that a Korean, Takeo Iwaki (held at Sugamo Prison), was being returned to his home in Korea for military reasons.

Two directives requested that seven Japanese military leaders and nine prominent civilians now residing in Japan be brought to Manila during January. Another directive required the Japanese Government to bring to Tokyo two Mongols who were residents in the Imperial University at Sapporo in Hokkaido.

Persons Apprehended

8. Suspected war criminals of all categories detained in Sugamo Prison (Tokyo Detention Camp) as of 31 January numbered 532, including 87 individuals interned during the month. Important persons arrested during January include:

Koki Hirota: Former Premier and former Minister of Foreign Affairs, Foreign Minister from 1933-36, Premier in 1936 and 1937, again Foreign Minister in the first Konoye Cabinet and member of the Cabinet Advisory Council in 1940.

Yutaka Ishizawa: Consul General at Batavia, December 1940, Director Greater East Asia Ministry 1944.

Naokichi Kitazawa: Councillor Japanese Embassy in Burma since 1943.

Yosuke Matsuoka: Foreign Minister; the Tri-Partite Axis Pact was signed shortly after he became Foreign Minister in 1940.

INVESTIGATION OF WAR CRIMINALS

9. Investigation teams interrogated hundreds of persons. Statements were reduced to writing and signed; 41 investigations were completed. Many of these statements were obtained from persons who were allegedly victims of inhuman and cruel treatment at the hands of the Japanese while interned as prisoners of war.

10. Investigation of a majority of the former prisoner of war camps was completed following up leads of deplorable conditions which were said to have existed at these camps. A completed investigation contains the description of physical facilities, photographs, statements from individuals who had been connected with the camps and statements of former prisoner-of-war internees.

This information together with affidavits of alleged victims is being analyzed and will be utilized in the prosecution of individuals charged with atrocities which occurred in camps to which they were attached or for which they were responsible.

PROSECUTION OF MILITARY WAR CRIMINALS

11. Four persons have been tried and all found guilty since the first war atrocity trial was commenced at Yokohama in December 1945. Three trials were completed during January and at the close of the month three trials were in progress.

Four additional cases were referred to the EIGHTH Army. Thirty other cases are prepared for trial, over 150 are in the process of preparation and an equal number of prospective cases awaits preparation.

Trial of Kei Yuri

12. The second war atrocity case to be tried in Japan was referred to a Commission of Army officers appointed by the Commanding General of the EIGHTH Army. The trial at Yokohama started on 27 December 1945 and ended 7 January 1946. The accused was found guilty and sentenced to be hanged.

This was the first case in which a camp commander was charged with disregarding and failing to perform his duties as camp commander by permitting members of his command to commit cruel and brutal atrocities against prisoners of war. It was also the first case where the death penalty was imposed by a military commission in Japan.

13. The charge was "That Kei Yuri (Koi Uri) then First Lieutenant in the Japanese Imperial Army and Commander of Prisoner of War Camp Number 17-B, Omuta, Fukuoka, Kyushu, Japan, between 1 August 1943 and 31 May 1944, did at said camp willfully and unlawfully commit cruel and brutal atrocities and other offences against certain prisoners of war held captive by the Armed Forces of Japan, a nation at war with the United States of America and its Allies, and that he, the said Kei Yuri (Koi Uri) did unlawfully disregard and fail to discharge his duty as such commander to control and restrain the members of his command, permitting them to commit cruel and brutal atrocities against certain prisoners of war held in captivity in the aforesaid camp, all in violation of the Laws and Customs of War".

14. A motion of the defense to strike certain specifications was overruled. A subsequent motion to make the same specifications more specific was denied.

15. Most of the evidence for the prosecution was in the form of affidavits from ex-prisoners of war. A medical officer who gave expert testimony regarding the starvation of Private Pavlokos was the only witness introduced by the prosecution before resting its case. Forty-nine exhibits were introduced by the prosecution. One exhibit was disallowed by the Law Member of the Commission. Hearsay evidence in several parts of other affidavits was stricken.

16. Two exhibits consisted of war crimes questionnaires signed by Lieutenants Romaine and Allen who were eye-witnesses to the bayoneting of Private Heard. The Commission was not satisfied with the form and content of this evidence and directed that complete affidavits be secured. It was ordered that the substance of these affidavits be secured immediately by radio or cable.

Two radio replies were received within two days and were admitted in evidence. The complete affidavits did not arrive until one week after the trial and were not used.

17. A surprise witness appeared after the prosecution had rested its case and the Commission had recessed for the week-end. This witness had been the interpreter at Lieutenant Yuri's camp during the time of the alleged offenses. He stated that on his own initiative he had travelled some 900 miles to testify at the trial.

When the Commission convened again the prosecution was permitted to reopen its case and place this interpreter on the stand. He testified at length as an eye-witness to the bayoneting and starving of two victims named in the specifications. The defense was unable to shake his testimony.

18. The defense produced a number of witnesses who testified that this particular camp was one of the model POW camps in Japan. The accused took the stand in his own behalf. He admitted finally that he had ordered the bayoneting of Private Heard but denied any mistreatment of Pavlokos. The prosecution placed the camp interpreter on the stand in rebuttal. The accused was granted special permission to cross-examine personally his former interpreter but was unable to break down damaging testimony.

19. The Commission found the accused guilty of the charge.

Trial of Chotaro Furushima

20. The third atrocity case before a Military Commission at Yokohama lasted from 28 December 1945 to 11 January 1946. The accused, Lieutenant Chotaro Furushima, former commander of the Kamioka and Funatsu POW camps, was found guilty and sentenced to imprisonment at hard labor for life.

21. He was charged with command responsibility in committing and condoning atrocities which included: beating, refusing medical treatment and starving to death Private James S. Mann; the beating and torture of Privates James H. Smith, Robert L. Robinson, and Captain Wayne C. Liles, and the mistreatment of Private Leroy Priest which caused him to lose all but one toe due to frostbite.

22. The first witness for the prosecution was the officer who commanded the recovery team which had liberated prisoners of war from the two camps alleged to have been under the control of Furushima. He described the camps and the conditions of the prisoners as he saw

them at the time of their liberation. Furushima's commanding officer was called as the next witness and identified him as commander of the two camps in question.

23. The prosecution introduced 79 affidavits. The Commission had previously announced that in offering affidavits or statements the prosecution must state that to the best of the prosecution's knowledge or belief the affiant or author of the statement was not now present in the Western Pacific Theater.

The prosecution was unable to do this with respect to the affidavits of certain Dutch officers in which the witnesses had stated that they intended to be repatriated to Java. The Commission took judicial notice of the unsettled conditions existing in Java and waived application of the rule to these affidavits.

The prosecution rested its case on 4 January.

24. The defense introduced the Mayor of Funatsu as a character witness for the accused. Five other witnesses including a Japanese Army medical officer testified regarding the use of "Kyu" or moxa-cautery (an ancient Japanese medical treatment in which an inflammable pellet is applied to the skin and burned as a counter-irritant).

25. The accused took the stand in his own behalf on 9 January. His testimony and cross-examination continued into the following day. He admitted striking Captain Wayne C. Liles with his open palm but denied any knowledge of the other specifications and of the charge itself.

26. On 11 January the Commission announced that Furushima was found guilty of the charge and of all specifications except two which related to failure to furnish adequate food, clothing and supplies.

Trial of Kaichi Hirate

27. The trial of a fourth atrocity case by a Military Commission at Yokohama was started on 14 January and finished on 25 January. Kaichi Hirate, a former Captain in the Japanese Army, was charged directly with the death of an American prisoner of war and with responsibility for the death of several other Allied prisoners at a camp commanded by him in the Hakodate area of Hokkaido. He was found guilty and sentenced to be hanged.

28. The allegations which charged the accused with beatings, tortures and deprivations followed the same general pattern which characterized the three trials already concluded at Yokohama.

29. Members of the Commission were interrogated by the prosecution to ascertain if there was any challenge for cause. Each member of the Commission was asked the following two questions:

a. Do you have any conscientious scruples against the infliction of the death penalty as punishment for crime?

b. Would you have any conscientious scruples against the infliction of the death penalty against the accused in this case in the event a verdict of guilty is returned if the evidence consists solely of affidavits and statements of prisoners of war as provided by the Regulations Governing the Commission in the trial of this case?

All members of the Commission responded in the negative to both questions.

30. The prosecution introduced a long list of affidavits containing testimony of some 90 British internees who related the events which occurred since the British prisoners captured in the hot and steaming climate of Singapore had been transferred to the frigid climate of Hokkaido in northern Japan.

It was shown that the prisoners were housed in quarters "rotten with lice, worked from 6:30 a.m. to 5 p.m. in weather 20 to 30 degrees below zero, ate rotten stinking food for a long time and some had to walk as long as an hour and a half to work".

The statements described in detail the starvation, beatings, tortures and deliberate attempts to freeze the inmates of the camp. They told how two British prisoners died "horrible deaths from gangrenous frozen legs suffered in a guardhouse". In one affidavit a British soldier stated that he was forced to work in the snow with no footwear and that when he protested he was "beaten across the face 30 times with a heavy leather belt".

31. The defense succeeded in excluding a number of the affidavits on the ground that they were merely cumulative hearsay.

32. All of the evidence for the prosecution consisted of affidavits or statements except that of the camp interpreter. He testified personally on the witness stand saying that he had seen the accused strike a British Private who afterwards had been placed in the guardhouse and then removed to the hospital where he died. The interpreter was unable to name this victim but he did corroborate the beatings of other prisoners by naming the camp personnel responsible.

The prosecution finished its case in three and one-half days.

33. The defense introduced a Japanese doctor who testified that he had signed death certificates for three deceased prisoners but had seen only two of the bodies. He stated that Raymond Suttle, a British soldier, died of croup pneumonia but that malnutrition was also included in the record of death. The witness denied that the death certificates had been signed on "standing orders" from the camp commander and said that he had made the records on reports of an American doctor interned as a prisoner of war.

34. Counsel for the defense closed his argument by presenting the Charter of the International Military Tribunal for the Far East. He asserted that the rules of the trial of Class 1 criminals who will be tried before the Tribunal are more lenient than the SCAP rules for Class 2 and 3 criminals such as Hirate.

35. The prosecution in answer to this argued that the position of a commander of a POW camp is distinguished from a commander in the field in that a camp commander is charged with a special responsibility. His mission is to insure proper care and treatment of prisoners of war under his custody at all times whereas the primary mission of the commander in the field is combat.

It was pointed out that the Rules of Land Warfare, the Public Law of Japan, and the Rules and Regulations prescribed by the War Ministry of Japan for the treatment of prisoners of war place direct responsibility on the camp commander. It is his duty at all times to insure the proper care and treatment of prisoners in his custody. He has the authority to handle the affairs of the camp and to control all personnel having contact with prisoners of war.

36. The Commission announced a verdict of guilty and imposed the death sentence on 25 January 1946.

Trials in Progress

37. The trial of three cases was in progress at the close of the month. The case against Hiroji Honda commenced on 18 January, that against Isao Fukuhara on 29 January and that against Kitaro Ishida on 30 January.

INTERNATIONAL PROSECUTION OF WAR CRIMINALS

38. A special prosecution staff which includes civilians has been designated to investigate and prosecute those individuals who are charged with planning, preparing, initiating or waging a declared or undeclared war of aggression, or a war in violation of international law, treaties, agreements or assurances.

This action was taken to implement the term of the Japanese surrender contained in the Potsdam Agreement (Article 10) providing that stern justice shall be meted out to all war criminals.

39. The prosecution staff has developed its organization and is actively engaged in gathering data for prosecutions, in questioning prospective defendants and witnesses and in reviewing material previously collected in anticipation of these trials.

INTERNATIONAL MILITARY TRIBUNAL

40. The Charter for the International Military Tribunal for the Far East was issued as General Orders No. 1 on 19 January. It establishes the International Military Tribunal as the fact determining agency with which the Supreme Commander for the Allied Powers will carry out his responsibilities under the terms of surrender to ascertain and punish the major war criminals of the Far East. The seat of the Tribunal is in Tokyo.

This document sets forth certain acts which if committed by those charged as major war criminals will subject them to stern justice. It provides simple rules of procedure and empowers the Tribunal to determine whether the individuals charged as major war criminals are guilty of the acts charged and to assess penalties for those found guilty. The Supreme Commander will enforce the penalties.

Membership of the Tribunal

41. The Tribunal will consist of not less than five nor more than nine members appointed by the Supreme Commander from the names submitted by the Signatories to the Instrument of Surrender. The Supreme Commander will appoint a member to be President of the Tribunal. The Secretariat of the Tribunal will consist of a General Secretary and such assistants, including interpreters, as may be necessary.

Quorum and Voting

42. The presence of a majority of all members is necessary to constitute a quorum. Decisions and judgements of the Tribunal, including convictions and sentences, require a majority vote of the members present. When the votes are evenly divided, the vote of the President is decisive.

Jurisdiction of the Tribunal

43. The Tribunal has the power to try and punish war criminals in the Far East who as individuals or members of organizations are charged with individual responsibility for the commission of the following three offenses:

Crimes against Peace: The planning, preparation, initiation or waging of a declared or undeclared war of aggression, or a war in violation of international law, treaties, agreements of assurances, or participation in a common plan of conspiracy for the accomplishment of any of the foregoing.

Conventional War Crimes: Violations of the laws or customs of war.

Crimes against Humanity: Murder, extermination, enslavement, deportation and other inhumane acts committed against any civilian population, before or during the war, or persecutions on political or racial grounds in execution of or in connection with any crime within the jurisdiction of the Tribunal, whether or not in violation of the domestic law of the country where perpetrated.

44. Leaders, organizers, instigators and accomplices participating in the formulation or execution of a common plan or conspiracy to commit any of the foregoing crimes are responsible for all acts performed by any person in execution of such a plan.

45. Neither the official position, at any time, of an accused, nor the fact that an accused acted pursuant to orders of his government or of a superior will, of itself, be sufficient to free such accused from responsibility of any crime with which he is charged, but such circumstances may be considered in mitigation of punishment if the Tribunal determines that justice so requires.

Counsel

46. The Chief Counsel will be designated by the Supreme Commander. Any United Nation with which Japan has been at war may appoint an associate counsel. The responsibility of the Chief Counsel assisted by the associates includes the investigation and prosecution of charges against war criminals within the jurisdiction of the Tribunal and the giving of appropriate legal assistance to the Supreme Commander.

47. The accused will be represented by counsel and will file with the General Secretary of the Tribunal the name of the counsel of his own selection or of counsel whom he desires the Tribunal to appoint. The Tribunal may disapprove the counsel selected by the accused at any time. If the accused is not represented by counsel, the Tribunal will designate counsel for him.

Procedure for Fair Trial

48. The Tribunal may draft and amend rules of procedure consistent with the provisions of the Charter. In order to insure fair trial for the accused, the procedure will be:

Indictment: The indictment will consist of a plain, concise and adequate statement of each offense charged. Each accused will be furnished, in adequate time for defense, a copy of the indictment including any amendment and a copy of the Charter of the Tribunal in a language understood by the accused.

Hearing: During the trial or preliminary proceedings the accused will have the right to give any explanation relevant to the charges made against him.

Language: The trial and any related proceedings will be conducted in English and in the language of the accused. Translations will be provided as needed and requested.

Evidence for the Defense: The accused will have the right through himself or counsel to present evidence at the trial in

support of his defense and to examine any witness called by the prosecution, subject to such reasonable restrictions as the Tribunal may determine.

Production of Evidence for the Defense: The accused may apply in writing to the Tribunal for the production of witnesses or of documents. The application will state where the witness or document is thought to be located. It will state the facts proposed to be proved and the relevancy of such facts to the defense.

Pre-Trial Motions

49. All motions, applications or other requests addressed to the Tribunal prior to the commencement of the trial will be made in writing and filed with the General Secretary for action by the Tribunal.

Powers of the Tribunal

50. The Tribunal will have the power to: summon witnesses to the trial, require them to testify and to question them; interrogate each accused and permit comment on his refusal to answer any questions; require the production of documents and other evidentiary material; require the witness to take an oath, affirmation, or such declaration as is customary in the country of the witness; and appoint officers to execute work of the Tribunal, including the power to have evidence taken on commission.

Conduct of Trial

51. The Tribunal will confine the trial to an expeditious hearing of the issues raised by the charge and will take strict measures to prevent unreasonable delay. It will provide for maintenance of law and order at the trial and deal summarily with any contumacy, imposing appropriate punishment, including exclusion of any accused or his counsel, but without prejudice to the determination of the charges.

52. The Tribunal will determine the mental and physical capacity of any accused to proceed to trial.

53. The transcripts of proceedings, exhibits and documents submitted to the Tribunal will be filed with the General Secretary of the Tribunal and will constitute part of the record.

Evidence

54. The Tribunal will not be bound by technical rules of evidence but will adopt non-technical procedure and admit any evidence it deems to have probative value. All purported admissions or statements of the accused are admissible. Without limiting the scope of the foregoing general rules, the following evidence may be admitted:

Documents: A document, regardless of its security classification and without proof of its issuance or signature, which appears to the Tribunal to have been signed or issued by any officer, department, agency or member of the armed forces of any government.

Reports: A report which appears to the Tribunal to have been signed or issued by the International Red Cross or a member thereof, or by a doctor of medicine or any medical service personnel, or by an investigator or intelligence officer, or by any other person who appears to the Tribunal

to have personal knowledge of the matters contained in the report.

Statements: An affidavit, deposition or other signed statement.

Diaries or Letters: A diary, letter or other document, including sworn or unsworn statements, which appear to the Tribunal to contain information relating to the charge.

Copies: A copy of a document or other secondary evidence of its contents, when the original is not immediately available.

55. The Tribunal will not require proof of facts of common knowledge, nor of the authenticity of official government documents and reports of any nation or of the proceedings, records and findings of military or other agencies of any of the United Nations.

Judgment and Sentence

56. The Tribunal will have the power to impose upon an accused, on conviction, death or such other punishment as may be determined by it to be just.

57. The Tribunal will announce judgment in open court and will give the reasons on which it is based. The record of the trial will be transmitted directly to the Supreme Commander for his action. The sentence will be carried out in accordance with the order of the Supreme Commander who has the power to approve, reduce or otherwise alter sentences but may not increase the severity of the punishment imposed.

Personnel of the Tribunal

58. Members of the Tribunal have been nominated by the participating countries. The Supreme Commander will appoint the Tribunal and designate the President from among these and other nominations. The list of the individuals nominated by their respective countries follows:

Commonwealth of Australia	Sir William Flood Webb, Chief Justice Supreme Court of Queensland.
Dominion of Canada	E. Stuart McDougall, King's Bench, Quebec.
Republic of China	Mei Ju-Ao, Acting Chairman, Foreign Affairs Committee, Legislative Yuan.
Kingdom of the Netherlands	Prof. Bernard Victor A. Roling, Professor of Law, Utrecht University, Judge of the Utrecht Court.
Dominion of New Zealand	Erima Harvey Northcroft, Judge of the Supreme Court of New Zealand.
Union of Soviet Socialist Republics	I. M. Zaryanov, Military Collegium of Supreme Court, Major General of Justice.
United States of America	John P. Higgins, Chief Justice of the Massachusetts Supreme Court.

59. Associate prosecutors have been chosen and their arrival with their staffs to assist the Chief Counsel is expected in February. The names of the countries now participating in the prosecution with their respective representatives are:

Commonwealth of Australia	Mr. Justice Mansfield
Dominion of Canada	Brigadier Henry Gratton Nolan
Republic of China	Hsiang Che Chun
Dominion of New Zealand	Brigadier R. Quilliam
Union of Soviet Socialist Republics	Minister S. A. Golunsky, Director of Judicial Science.
United Kingdom	Arthur S. Comyns, K. C.

Site of Trials by the Tribunal

60. The selection of the War Ministry Building as the site for international trials was announced on 21 January. The auditorium will be used as the court room and the conference rooms will be utilized as chambers for the judges. Work has been commenced on the renovation and redecoration of the building and on the reinstallation of heating facilities. The office once occupied by former Premier Hideki Tojo is near the court room.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN AND KOREA

Number 4.

January 1946

PART III

ECONOMIC - JAPAN

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SECTION 1

AGRICULTURE AND FISHERIES

C O N T E N T S

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1. Food collection, vegetable seed supply, agricultural research, agricultural associations and land tenure are some of the problems confronting the agricultural economy of Japan.

2. The demobilization of the Japanese armed forces has returned many former fishermen to their civilian occupation. Considerable activity in construction and repair of fishing craft is taking place. The operation of these boats will further increase supplies of fish.

AGRICULTURE

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AGRICULTURAL EXPERIMENT STATIONS

3. Japan has 377 public and approximately 35 private agricultural experiment stations and laboratories according to the Ministry of Agriculture and Forestry. About 48 farms operate under the direction of the experiment stations to supply farmers with seeds and plants of superior varieties produced by the stations. Of the 377 stations, 110 are classified as main central government or prefectural stations and the remainder as branch stations, experimental farms or experiment stations for special purposes.

4. The number of experiment stations in proportion to the number of farmers served is greater than in the United States. The Japanese have established special stations to study a single crop or a restricted set of problems instead of providing facilities in one locality for the study of all or most of the problems peculiar to the area as is done in the United States.

5. Most of the agricultural experiment stations deal with problems of production or processing of grain crops, fruits, vegetables, tea and silk. The crossing of improved varieties of important crops, cultural experiments with manures and fertilizers, and control of insects and diseases are among the chief subjects for investigation.

Research on livestock is concentrated at a few stations because variations in climate and soil are relatively unimportant to stock raising and because the livestock population in Japan is small.

VEGETABLE SEED

6. Japan produced practically all of its vegetable seed requirements prior to 1942 and normally exported considerable amounts to Korea and other areas within the Japanese Empire. Figures are not available for years prior to 1942 but data of the Ministry of Agriculture and Forestry show that in 1942 and 1943 total production was 8,216 and 8,877 metric tons respectively, of which approximately 16 percent was exported.

In 1944 production was more than 7,000 metric tons, of which only a small amount was exported. In 1945 production dropped sharply with shortages developing in the supplies of seeds of some vegetables.

7. Commercial stocks of eggplant, cucumber and squash seed now stand at only half to two-thirds the normal amount. Tomato and snap bean stocks are 10 to 20 percent of the reported for 1942 through 1944. Daikon seed supply was only 50 to 70 percent, and Chinese cabbage, greens, peas and broad bean supplies were 30 to 50 percent of normal at planting time. Cabbage and spinach stocks were down slightly. Stocks of turnip, carrot, edible burdock, Japanese leek and onion compared favorably with earlier years.

8. Expected reduction in commercial vegetable plantings in favor of staple crops will result in reduced demand for certain seeds. For commercial planting the Ministry has estimated surpluses of carrot, burdock, greens, cabbage, spinach and onion. These estimates do not take into consideration the unknown and possibly great demand of town and city residents who may want to plant emergency gardens during 1946.

9. Although the vegetable seed situation in Japan appears unfavorable on the whole, it is critical for only tomato, eggplant, snap bean and squash. The harvesting by farmers and gardeners of increasing quantities of home-grown seed during the past three or four years will help supplement commercial supplies.

FOOD COLLECTIONS

10. The state of the present food purchase program of the Japanese Government is shown in current figures on the collection of rice. The quantity purchased up to 10 January 1946 from the 1945 harvest was 1,118,701 metric tons according to the Ministry of Agriculture and Forestry. This is only 28 percent of the total rice scheduled for purchase by the government from the 1945 crop. On the same date in 1945 the government had collected 52 percent of the amount to be purchased from the 1944 crop.

11. Because of the poor rice harvest in 1945, the current collections of rice were not expected by Japanese officials to come up to those made from the harvest of 1944. While the 1945 production is estimated at approximately 75 percent of 1944 rice production, the amount of rice purchased by the government up to 1 January 1946 was less than 40 percent of the amount purchased by the same date in 1945.

12. Widespread hoarding of foodstuffs by farmers and others, and the flow of large amounts of food into the black market are blamed for the inadequacy of food purchases by the government. Farmers are reported to be reluctant to sell rice to official agencies because of the lucrative alternative outlet provided by the black market, the inability of the government to provide

them with farm supplies and consumer goods in exchange for crops sold to the government and the prevalence of payment by farmers for goods and services in foodstuffs rather than money.

THE AGRICULTURAL COOPERATIVE ASSOCIATION

13. A reversal of the long historical trend toward centralized governmental control of the rural cooperatives and agricultural associations was embodied in amendments to the Agricultural Association Law passed by the Imperial Diet on 17 December 1945. The primary objective of these amendments, according to the Japanese Government, was to provide for democratic election of local prefectural and national officials of the Agricultural Cooperative Association (Nogyo-kai).

14. The Agricultural Cooperative Association is an outgrowth of both the rural cooperative movement and agencies of the Japanese Government concerned with the enforcement of national agricultural policy. Agricultural cooperatives which had been separate and autonomous up until 1900 were consolidated under an act of that year into the Central Union of Cooperative Societies (Sangyo-Kumiai Chuo-kai).

Membership in the cooperatives was voluntary, officials were elected at the local levels and the central organization was federative in nature. The cooperatives were encouraged by the government as a method to improve the economic condition of the farmers.

At approximately the same time, under the Agricultural Societies Act of 1899, the government created a centralized structure of village and prefectural agricultural societies (No-kai), under control of the national government for the collection of agrarian statistics, the distribution of agricultural information and the execution of governmental policies. Officials were appointed from above and membership by farmers was obligatory.

15. Because of the importance of the processing, marketing and credit functions performed by the cooperatives, the central government exercised an increasing influence in their activities, particularly after the Manchurian "incident". Finally all semblance of popular control over the cooperatives was abandoned in 1943 when, under the pressure for rigid wartime regulations of agriculture, the cooperatives were consolidated with the agricultural societies into the present Agricultural Cooperative Association.

Since 1943 this association has been the governmental organ for the maintenance of centralized control and the enforcement of national policy throughout rural Japan. Membership of all farmers is compulsory and, until the passage of the recent amendments, leaders of the local associations had to receive prior approval of the prefectural governor before taking office. This approval was based on their ability to maximize the compulsory food purchases by the government at ceiling prices, rather than their support of the interests of farmers. Consequently there was considerable resentment and lack of support of the present leadership of local and prefectural agricultural cooperative associations.

16. In view of the importance of the role played by the agricultural association in almost every phase of Japanese Agriculture, its development as a representative farm organization is of great significance for the future of rural Japan.

It is through the association that crop quotas are established at village levels; that foodstuffs are collected from farmers for distribution by the government; that seed, fertilizer and other supplies as well as consumer goods are sold to farmers; and that foodstuffs are allocated for processing.

The association also acts as a savings institution and provides farm credit; it disseminates technical information to the rural population; and performs a wide variety of other economic, social and cultural functions in rural Japan.

AGRICULTURAL TRENDS

Production Trends of Food Crops

17. Rice, wheat, barley, naked barley, sweet potatoes and white potatoes are the most important food crops in Japan in terms of production and crop area. These six crops normally account for over 80 percent of the caloric value in the Japanese diet.

From 1926 to 1945 the production of rice, wheat, sweet potatoes and white potatoes showed increases, while the production trends of barley and naked barley have been downward as shown in Charts No. 1 and No. 2.

18. Production of rice varied considerably from year to year although crop area was practically constant as shown in Charts No. 3 and No. 4. Weather conditions are the principal cause of this variation.

The average production for the period 1936-40 was about eight percent higher than for period 1926-30. This is attributed by Japanese officials to improvement through crop breeding and improved fertilizer application. This upward trend continued through 1943.

Production dropped in 1944 and 1945 because of adverse weather conditions in 1945 and fertilizer and labor shortages in both years.

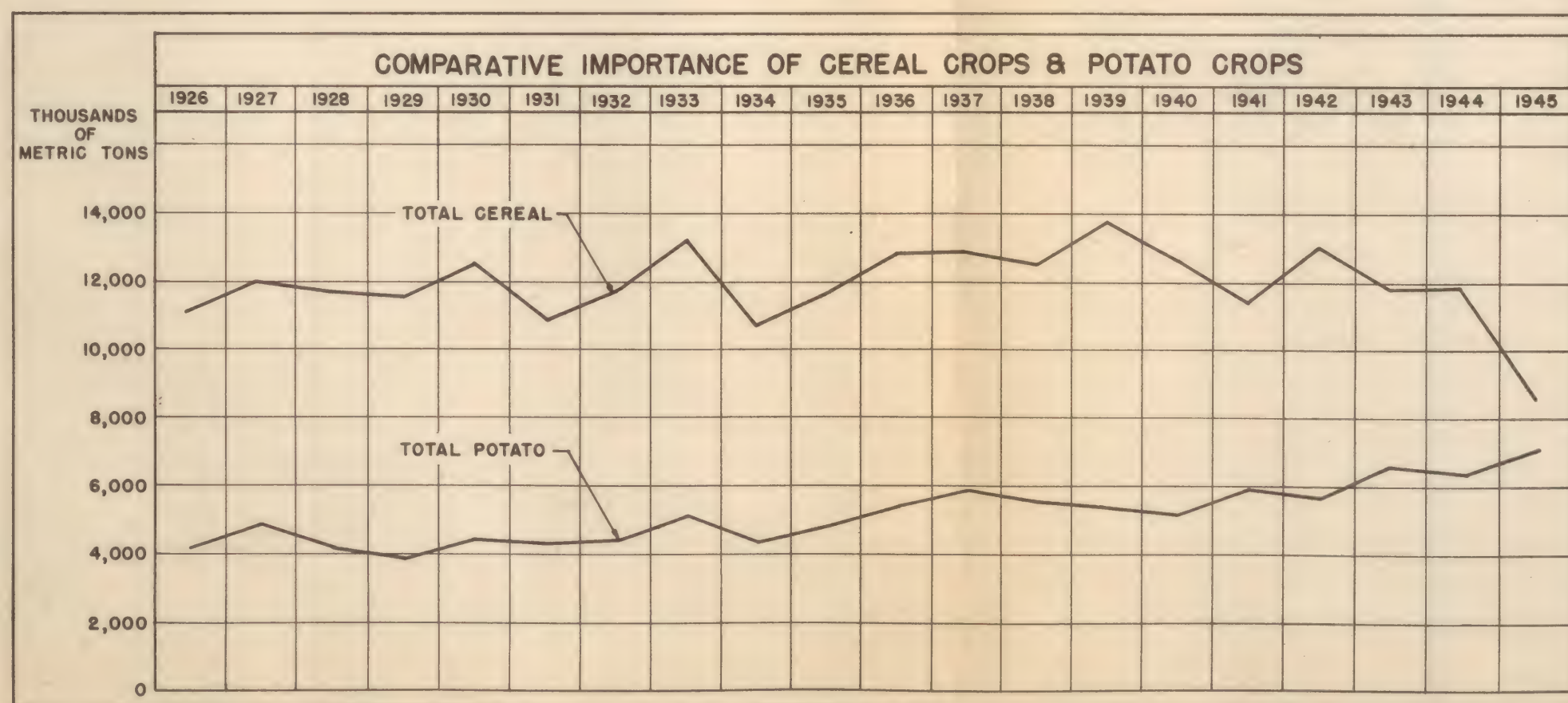
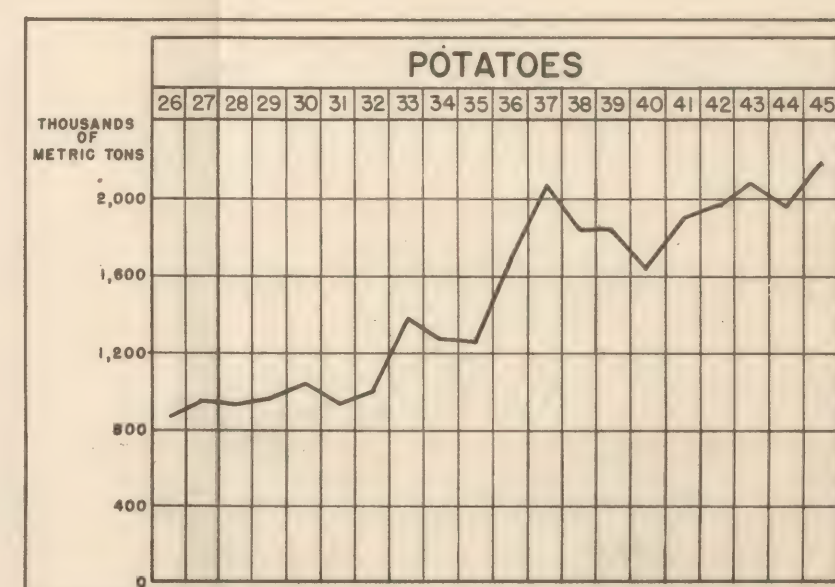
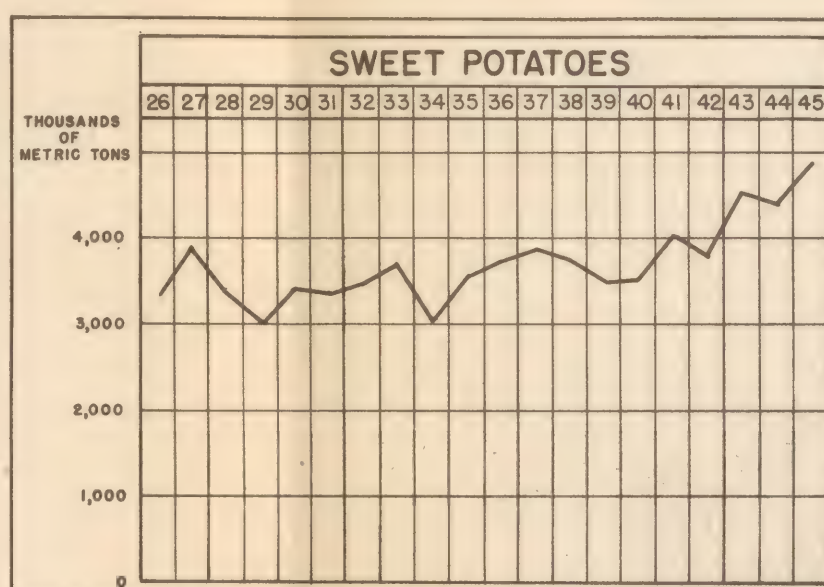
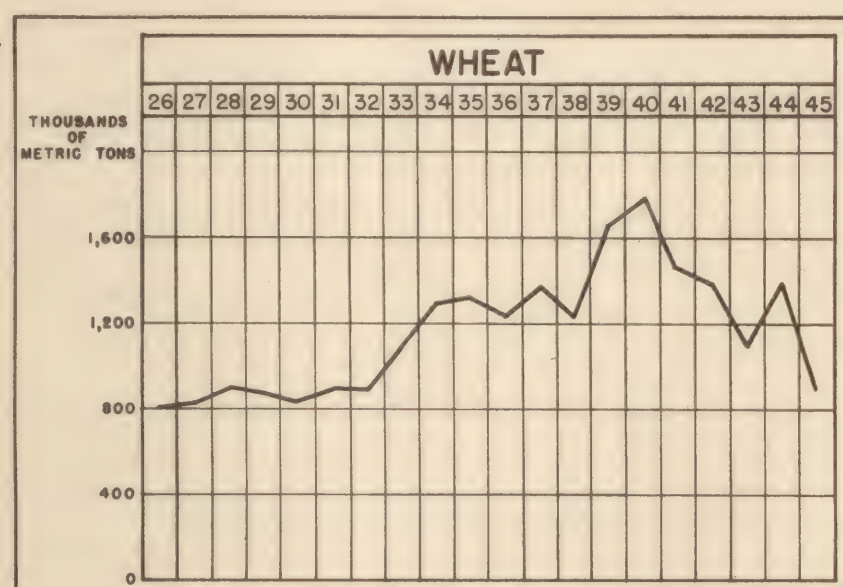
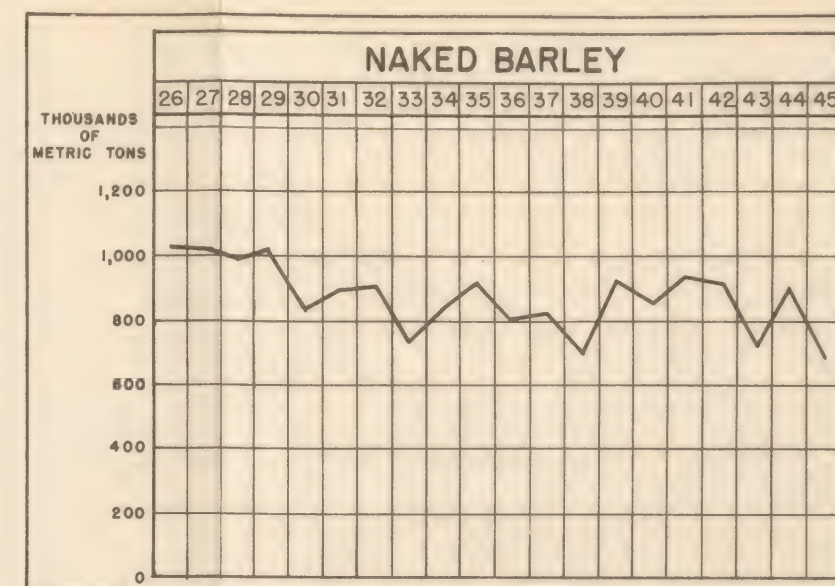
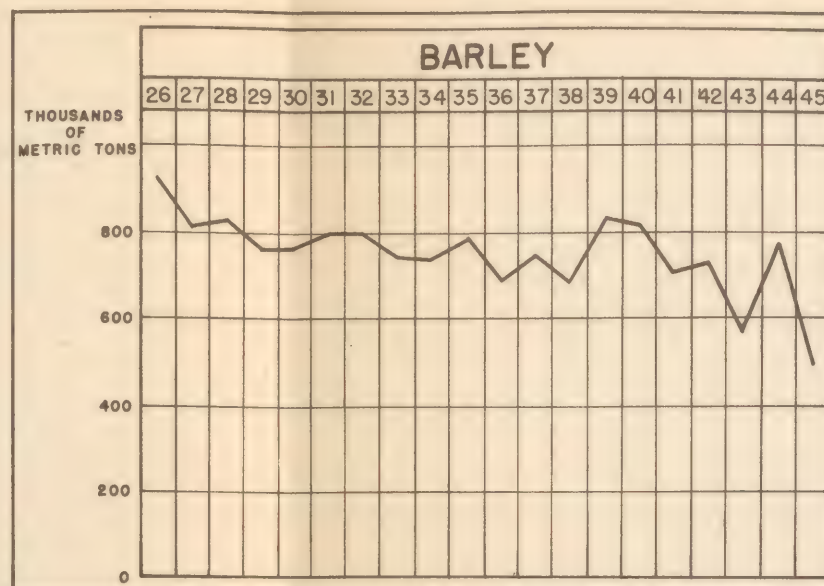
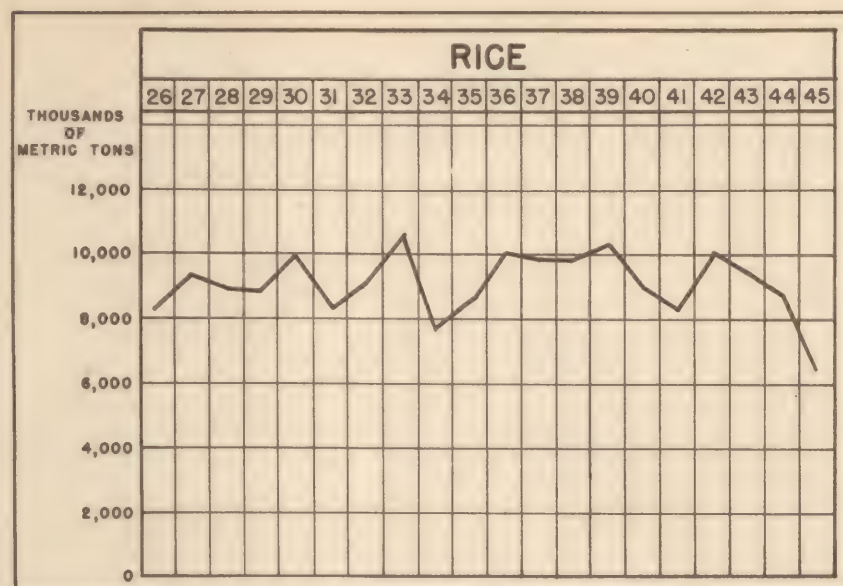
19. Wheat production during the past 20 year period shows a definite upward trend. For the period 1936-40 average production was over 70 percent higher than for the period 1926-30 because of the great increase in crop area.

In the war years 1942-45 the production of wheat continued on a high level except in 1945 which was a year of unusually bad weather and destructive storms.

20. Barley production during the past twenty years has decreased. The average 1936-40 production represents about a 10 percent decrease below that of the 1926-30 period. The average of the 1941-45 crop shows an additional decrease of 10 percent. This may be attributed to poor crops in 1943 and 1945 since the crop area was greater than during the previous five-year period and only slightly below the 1926-30 period.

21. The average production of naked barley in 1936-40 was about 15 percent less than the 1926-30 average. For 1941-45 production increased over the preceding five-year period. Because of the extremely small crop in 1945 average production for 1941-45 is only about one percent higher than for the 1936-40 period and is about 14 percent less than the 1926-30 average.

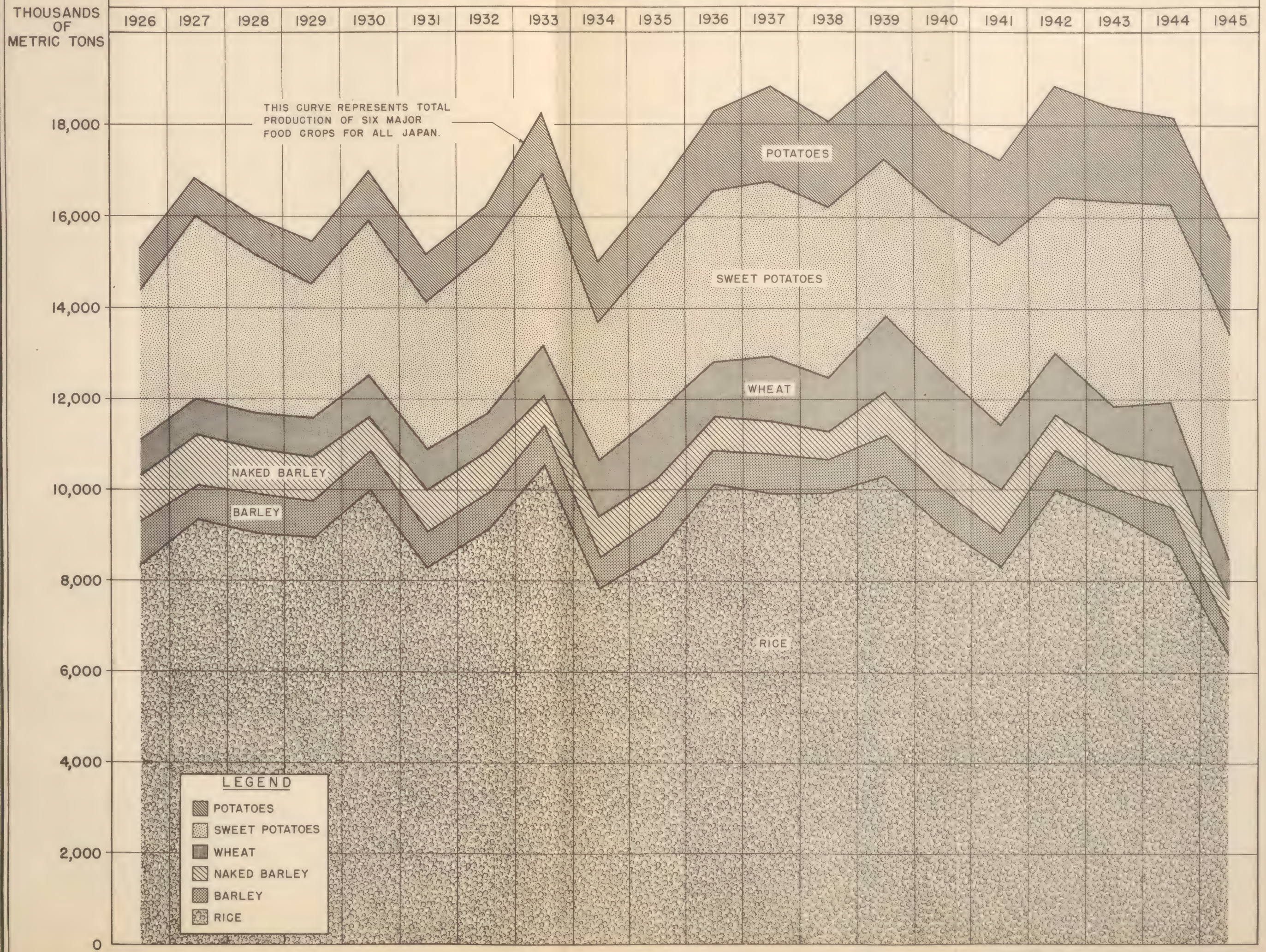
22. Production of sweet potatoes shows an upward trend



SIX MAJOR FOOD CROPS

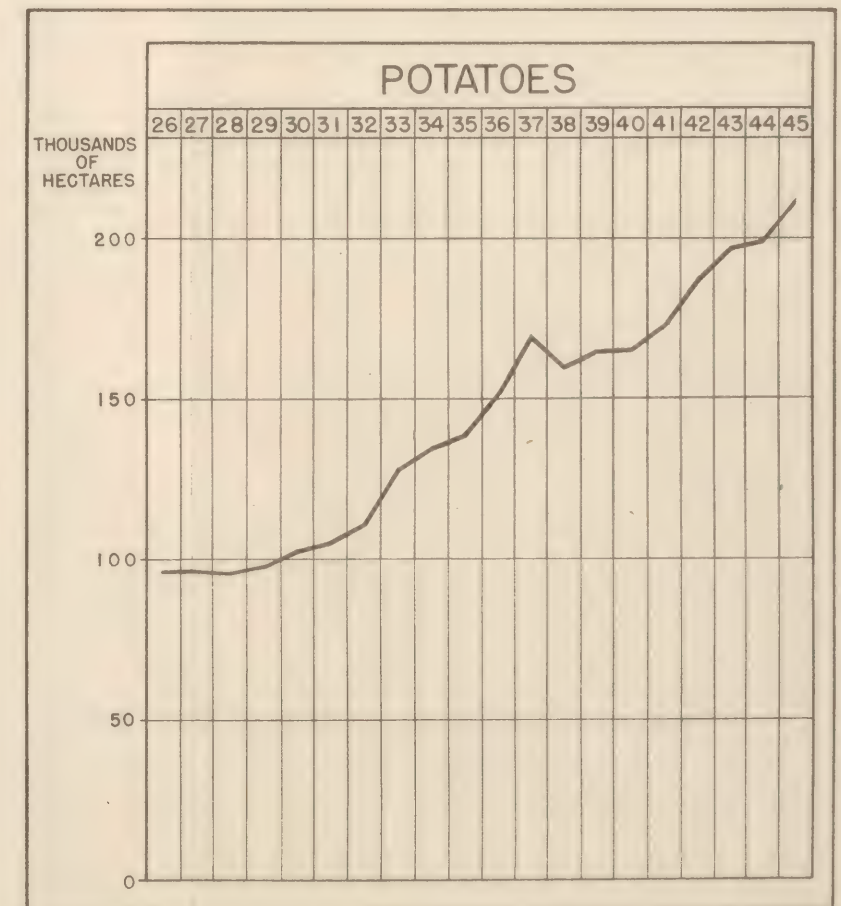
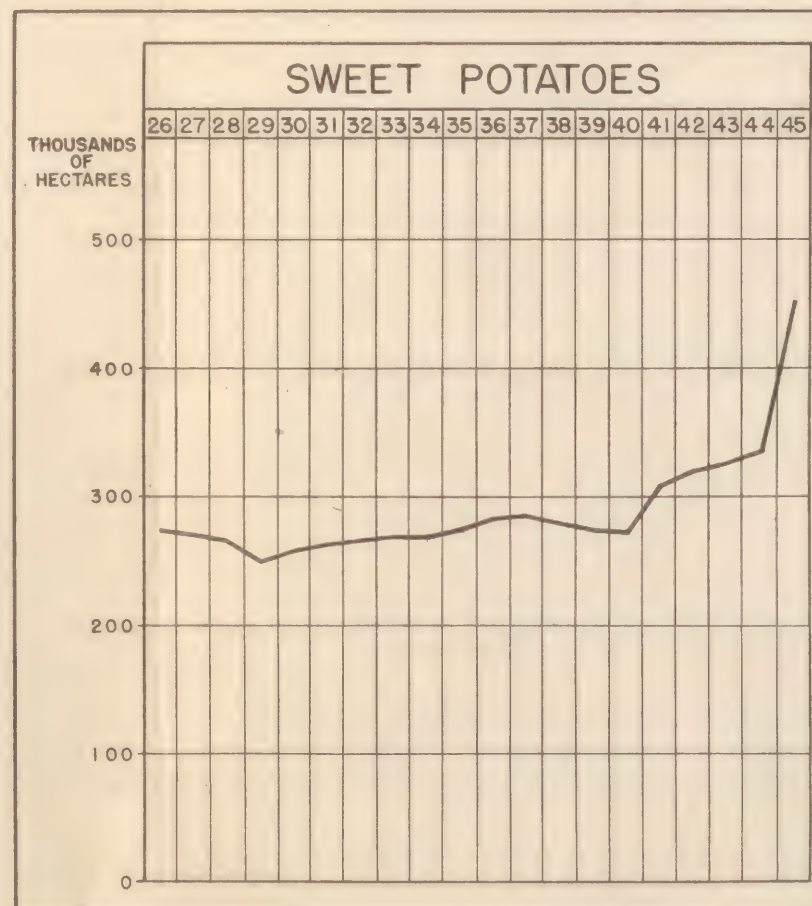
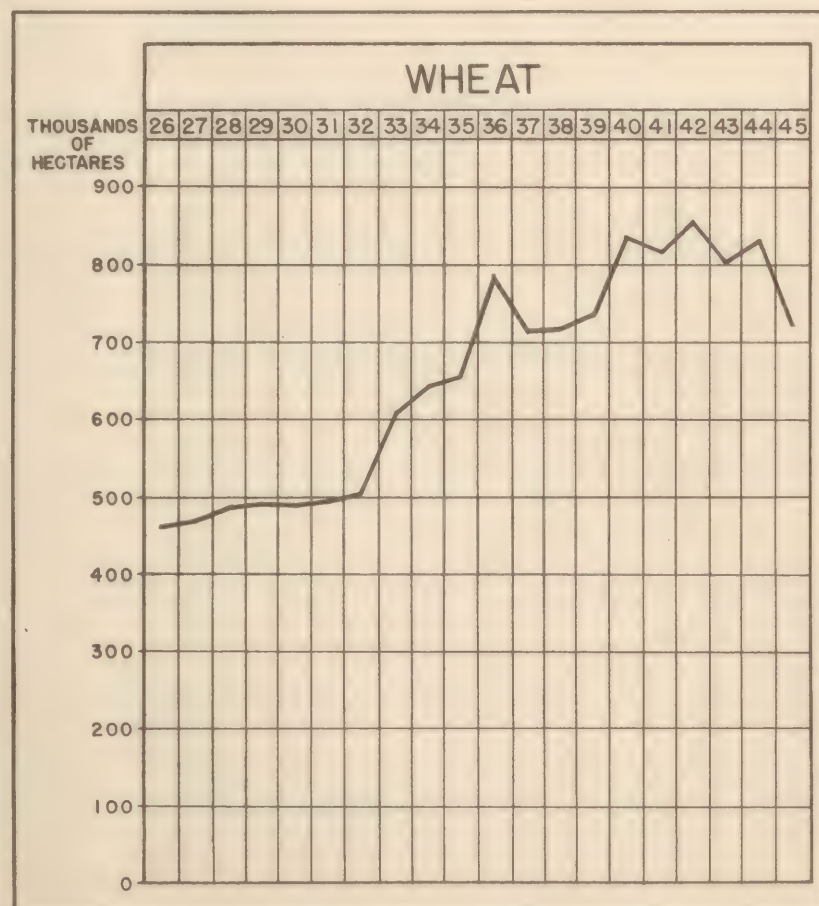
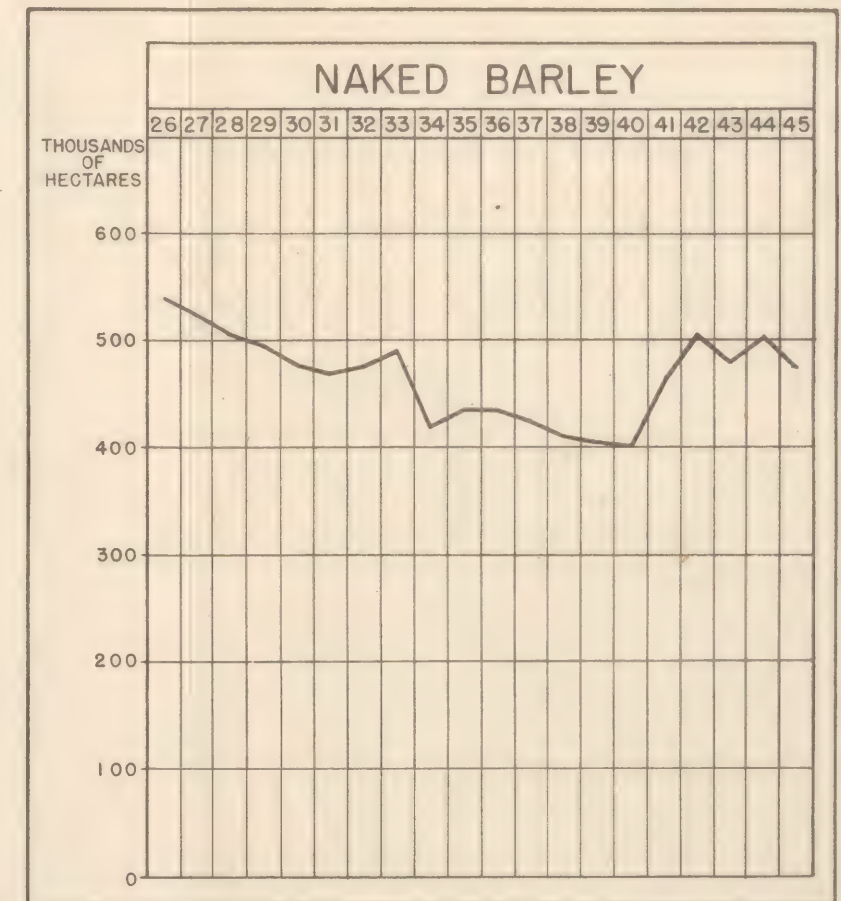
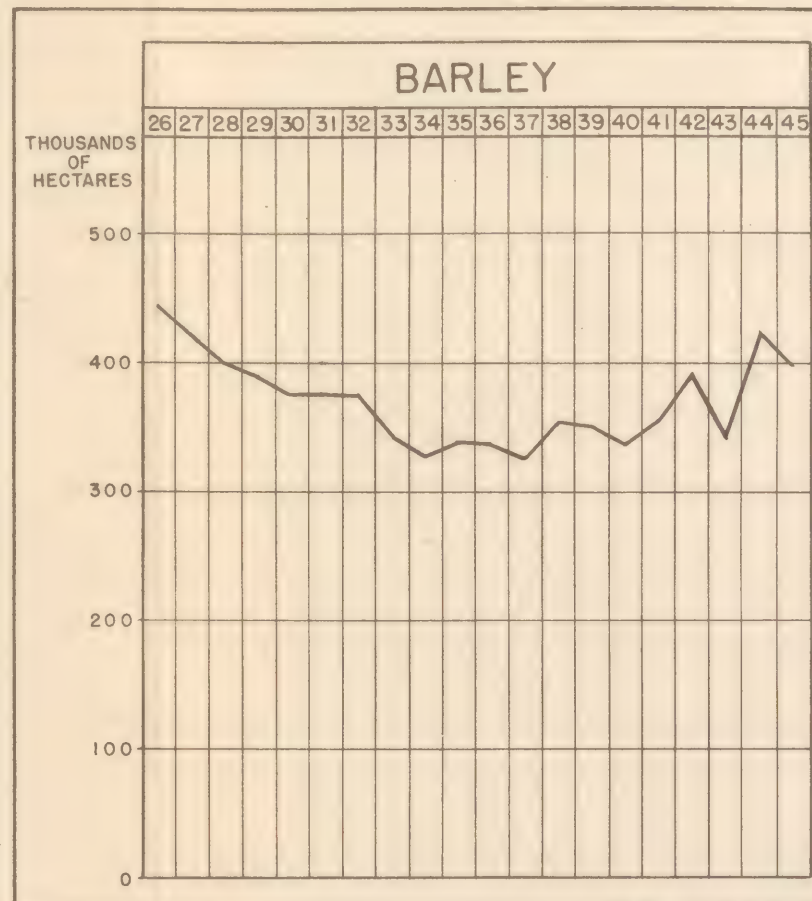
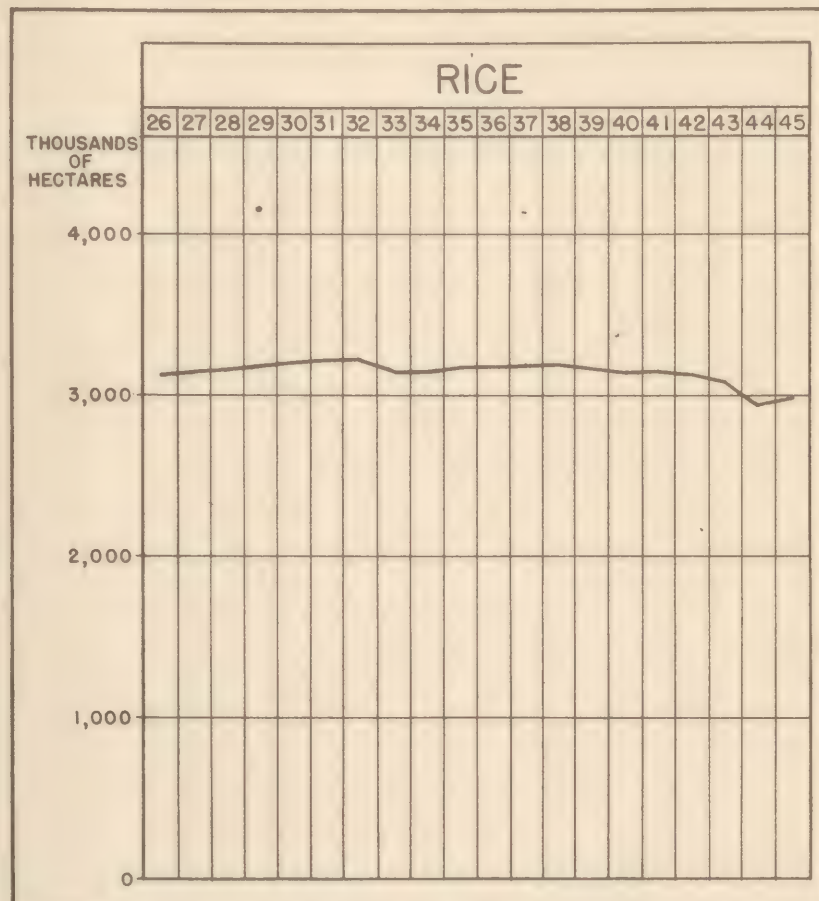
PRODUCTION 1926-1945
JAPAN

TOTAL PRODUCTION OF SIX MAJOR FOOD CROPS - JAPAN 1926-1945



ACREAGE DEVOTED TO SIX MAJOR FOOD CROPS — JAPAN

1926 — 1945



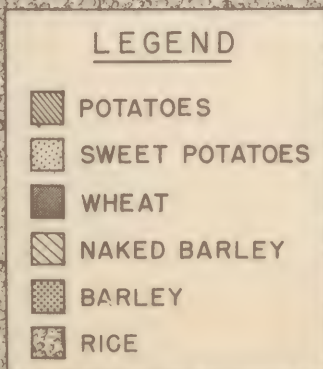
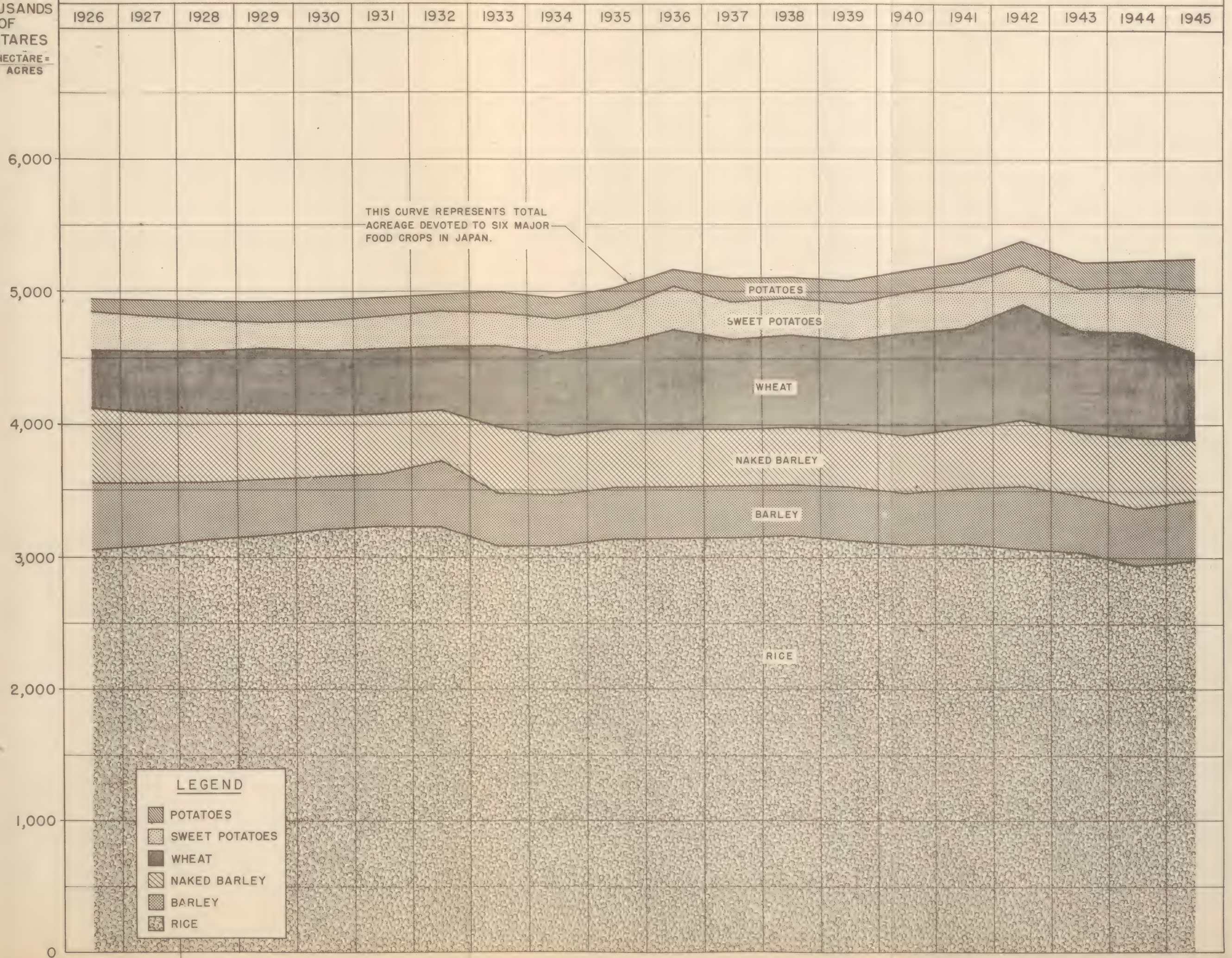
NOTE:

1 HECTARE = 2.47 ACRES

TOTAL ACREAGE DEVOTED TO SIX MAJOR FOOD CROPS-JAPAN

1926-1945

THOUSANDS OF
HECTARES
ONE HECTARE =
2.47 ACRES



over the twenty-year period because of the increase of crop area with little change in yield per unit area. Increases in average production for 1936-40 and 1941-45 over the average 1926-30 are eight and 27 percent respectively.

23. White potato production showed a marked increase of 94 and 113 percent for the 1936-40 and 1941-45 periods respectively over the 1926-30 average. The crop area in 1941-45 had increased to about twice that of 1926-30.

Tea Trends

24. Although Chart No. 5 indicates a marked decrease in 1930 in the area devoted to tea plantings, the adoption of a new method of measuring areas subjected to intercropping, accounts for the apparent decline. The areas and production remained approximately constant from 1926 to 1932. In the latter year the tea area was 37,925 hectares and production was 40,388 metric tons of refined tea.

25. After 1932 a slight but continuing increase in areas and production of black and green tea took place. This was principally due to an increased foreign demand for the Japanese product.

By 1940 the total area planted to tea was 40,407 hectares and refined tea production was 58,180 metric tons. Total production of refined tea reached a peak of 61,865 metric tons in 1941 but had declined to 46,617 metric tons by 1944 and to an estimated 24,569 metric tons in 1945 when many tea areas were diverted to the production of critical food crops.

26. The increasing foreign market for Japanese black tea caused manufacture of this product to rise from an annual average of 22 metric tons during 1925-33 to 1,051 metric tons in 1934 and to an average of 2,500 metric tons for the period 1934-41. Production was negligible after 1941 due to loss of foreign market.

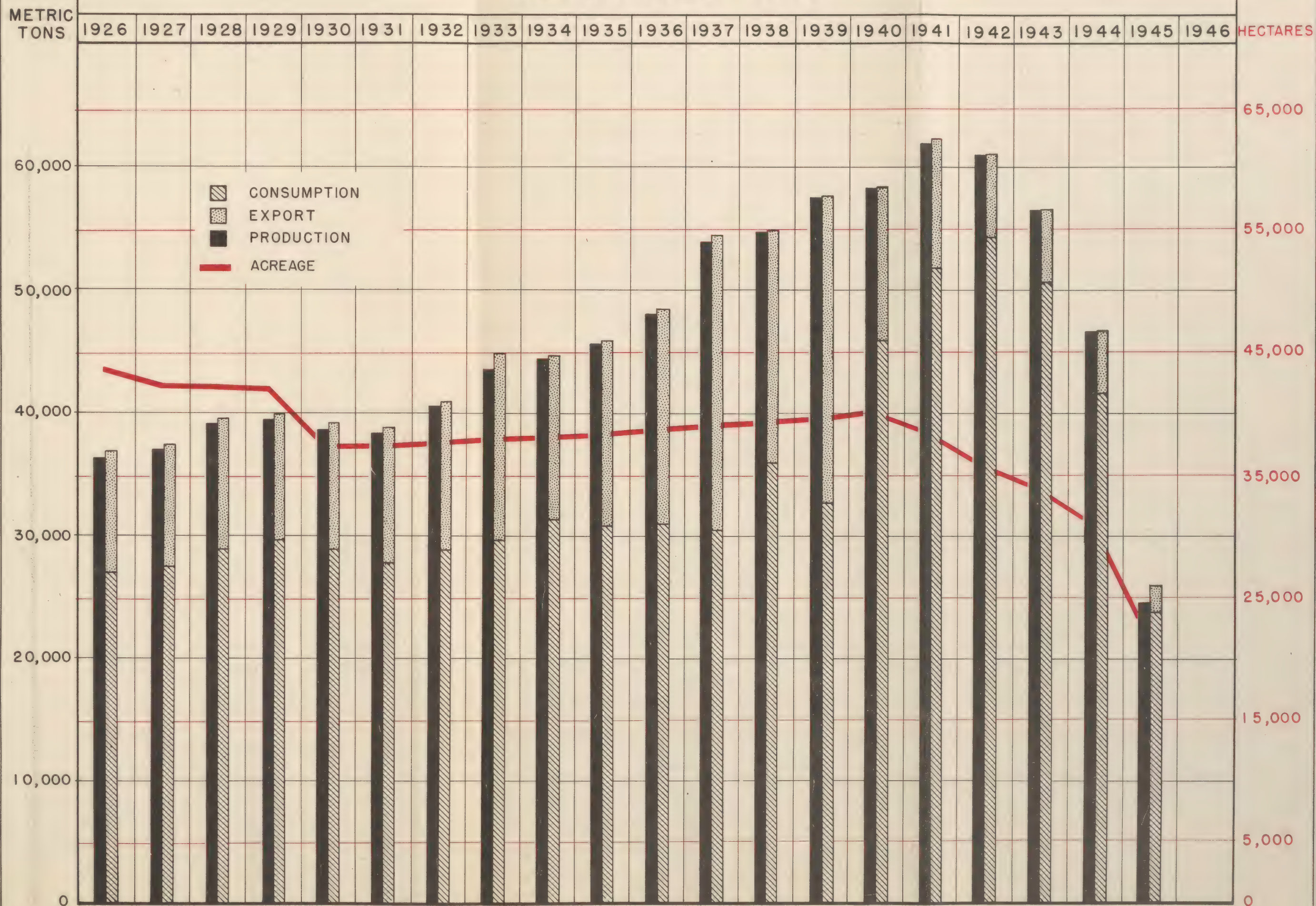
27. Figures for domestic consumption shown in Chart No. 5 are essentially all for green tea since the use of black tea in Japan has always been limited.

Consumption of tea was fairly constant from 1926 to 1939 averaging 30,713 tons annually. In 1940 it increased and averaged 48,718 tons for the period 1940-44. Increased consumption in those years may be accounted for by the continued high production and abundant availability of tea at very low cost during the war.

28. With the creation of a foreign market for black tea after 1932 and the subsequent increases in the demand for green teas, exports averaged 17,522 metric tons annually from 1933 to 1940 as compared to an average annual export of 10,640 metric tons for the period 1926-32.

Loss of foreign markets accounted for the drop in exports from 24,956 metric tons in 1939 to 12,686 metric tons in 1940. With further reduction caused by losses in shipping from 1941 to 1945, only 5,021 metric tons were exported in 1944 and none in 1945. Stocks available for export now are 1,626 metric tons of green tea and 601 metric tons of black tea.

TEA - ACREAGE, PRODUCTION, CONSUMPTION AND EXPORTS JAPAN 1926-1945



NOTE: DIFFERENCE BETWEEN THE TOTAL OF CONSUMPTION PLUS EXPORTS AND PRODUCTION FIGURES IS ACCOUNTED FOR BY TEA IMPORTS AND CARRY-OVER FROM PREVIOUS YEAR.

SOURCE: MINISTRY OF AGRICULTURE AND FORESTRY.

FISHERIES

	Paragraph
Reactivation of the Fishery Industry	29
Fisheries Production	55
Fishing Areas.	64
Scientific and Educational Activities.	66

REACTIVATION OF THE FISHERY INDUSTRY

Fishing Craft

29. Many of the fishing boats now in operation are old and unseaworthy. Boatyards throughout Japan are actively engaged in repairing or rebuilding damaged and obsolescent craft. When these vessels come into operation, the fishing fleet will be in better condition than it has been for many years.

30. Eight steel vessels under construction by large fishing companies are scheduled for completion in September. They will make a sizeable contribution to the fish production of the nation. The new vessels are:

- 1 Refrigerated fish carrier, 100 gross tons
- 1 Whale killer, 370 gross tons
- 1 Trawler, 320 gross tons
- 1 Tuna clipper, 135 gross tons
- 4 Trawlers, 100 gross tons each

31. Fishing interests are planning to construct additional vessels in all sizes of both steel and wood. The prospective builders claim to have the necessary material and engines for all vessels they wish to build.

In order that the construction of new vessels will proceed in an orderly fashion and to prevent building of excessive numbers of craft, the Japanese Government must submit a comprehensive boat building plan for the approval of SCAP.

Most of the former Japanese naval craft that the government planned to convert into fishing boats are now engaged in mine-sweeping operations. These vessels will be converted as soon as their present duties are completed. Those not in use as mine sweepers are too badly damaged to warrant conversion.

32. Twenty-four fishing vessels owned by the Formosan subsidiary of a Japanese company were laid up in Kyushu ports while their status was clarified. These vessels have now been released to the parent company and will soon be in operation. Two of the released craft are steel trawlers of over 500 gross tons and are among the finest ships in the Japanese fishing fleet.

Petroleum Products

33. Because distribution commenced so late in the month, only 1,576 kiloliters of the December allotment of 6,683 kilo-

liters of diesel oil reached the several prefectures. Little of this was distributed to the fishermen in December.

34. Distribution of the January allotment of 6,840 kiloliters of diesel oil is being made along with that portion of the December allotment which was delivered to the Japanese.

35. With the allotment of over 6,800 kiloliters of diesel fuel oil and adequate supplies of kerosene to the fishing fleet, one serious handicap to full scale operation of the fisheries has been eased.

36. It is expected that increased allotments of fuel oil will be necessary in March and April because of the herring season and the offshore fisheries conducted during those months.

The heavy herring catches made in Hokkaido in the spring play an important part in the fishery production of Japan. Both the long trips necessary for the springtime pelagic fisheries and the long hauls involved in transporting the herring to consumption centers require considerable quantities of fuel.

Estimated additional requirements for March amount to 3,705 kiloliters of diesel fuel oil and 108 kiloliters of light oil. Additional requirements for April consist of 1,710 kiloliters of diesel fuel oil.

37. When the original allocations of petroleum products were determined, it was decided that priority would be given to the fishing industry in the event that the fisheries should require additional allotments.

38. The new official prices of petroleum products, effective 15 January, are approximately five to seven times the old prices.

Salt

39. The shortage of salt in Japan is steadily becoming more serious because of the failure of expected imports to arrive. The Monopoly Bureau is not able to allocate salt to the fishing industry at the present time because the supply of salt for consumption in homes is practically exhausted.

It is expected that 67,000 metric tons may be imported from Tientsin, China and another 40,000 tons from Tsingtao, China during early 1946.

40. The Monopoly Bureau has promised to make an allotment of 5,000 metric tons to the fishing industry for the first quarter of 1946, provided that household needs have been met. The Bureau reports a stock of 140,000 metric tons in Tsingtao. The Ministry of Transportation claims to have adequate shipping to handle this amount.

41. Total imports of salt for 1946 are expected to reach 455,000 metric tons. It is essential that as much of this amount as possible be allocated to the fishing industry to avoid losses of fish from lack of means of preservation.

Nets

42. Recent field investigations have revealed that net factories are not in as good condition as previously reported. Most of them were damaged by bombing and some suffered additional damage

from earthquakes. During the war some of these plants were converted to aircraft construction and the net-making machines were scrapped. Some of the factories are again in operation, with an output of about one-third of their former capacity. Damaged machinery is being repaired.

43. Before 1941 Mie Prefecture produced 40 percent of the fish nets made in Japan, about half of which were exported. The principal buyer was the United States. Other importers were Canada, Philippines, Norway, Portugal and Thailand. Net factories reactivated to half the former extent could supply all domestic needs.

44. Stocks of cotton in the hands of the net manufacturers are low. Approximately 80 percent of the cotton yarn or raw cotton was formerly imported from the United States. The remaining 20 percent came from India.

A serious shortage of all kinds of cotton and other material from which nets can be made may soon occur.

45. Supplies of finished netting are low. Nets now in use are rapidly deteriorating and must be replaced. The net shortage may be the next critical item of the fishing industry.

Fish Prices and the Black Market

46. Since the distribution of fuel oil began through the accepted channels of the fish-marketing system, a plan has been formulated by the Japanese Central Federation of Cooperative Fishermen's Associations to encourage the delivery of fish to accredited markets and to make an equitable allocation of fuel oil to the fishermen.

47. It was hoped that by making fuel oil available and by issuing an additional rice ration, the fishermen would be forced to deliver their entire catch to the port associations in the various areas, thereby breaking the grip the black market held on the industry.

This was accomplished to some extent. The amount of fish required to balance the amount of fuel oil allocated in the designated proportion is being delivered. This fish must be sold at a specified price.

48. It now remains for the Japanese government to clear up a misinterpretation of the operation of the system. The ratio of the amount of fuel oil allocated to the amount of fish delivered was established as the basis of fuel oil distribution to the various prefectures and to the ports within the prefectures. Allowances were made for the fact that sometimes fishermen make good catches and sometimes they return to port with little or no fish; hence an average was set.

It was intended that all of the fish caught while using oil received through the regular channels would be turned over to the Central Federation for distribution at an agreed price, rather than only that amount of fish required by the stipulated ratio. Consequently, excess catches made on any one day would be sold through the regular channels to balance those days when the quota is not met. The whole purpose of distributing the oil is to make possible the sale of more fish at low prices.

As soon as this fact is made plain to all of the fishermen as well as the local associations and shipping bodies in the ports, the large amount of fish represented by the difference be-

tween that required for the fuel oil ratio and that actually caught will also be distributed at a reasonable price through the regular channels.

49. An example of the manner in which the fish has been distributed is expressed by the following table, which shows the proportion of fish that was allotted to the Central Federation in fulfillment of the quota for the port of Ito, Shizuoka Ken, on 13 January. It will be noted that after the amount of fish allocated to the Central Federation was sold at the regulated price, the balance of the day's receipts was sold at a free price.

ALLOCATION OF FRESH FISH
Ito, Shizuoka Ken, 13 January 1946

<u>Species</u>	<u>Total Deliveries</u>	<u>Allocation to Central Federation</u>		<u>Allocation to Local Retailers</u>	
	(Kan) <u>a/</u>	(Kan)	(Price per Kan)	(Kan)	(Price per Kan)
Horse mackerel	1000	500	¥ 20	500	¥ 50
Squid	4000	2000	15	2000	35

a/ One Kan - 8.27 pounds.

SOURCE: Ito Fisherman's Cooperative Association.

50. There is still considerable black-market activity at the fishing ports. The black-market supply of fuel will soon be exhausted. With the perfection of the "link" system, or allocation of oil only upon delivery of fish, the black market at the ports will cease except for sales by operators of small non-powered boats that fish from small villages. These fishermen will always be a source of trouble for the legal channels and will require close control.

51. The controlled distribution of fuel has not completely eliminated the ills of the fish distribution and rationing system in the large consuming areas where the black market still flourishes.

52. At a recent meeting of the Fishermens' Union the officers voted in favor of a resolution asking for the immediate dissolution of the Central Federation. The union did not offer a remedy for the ills of the present distribution system.

53. A further example of the necessity of a practical plan to control the price of all fish instead of just that which is received through the "link" system is the wide disparity between prices paid in Tokyo for fish which is exchanged for oil allotments and fish from other sources. The amounts landed and prices paid are shown in the accompanying tables.

PRICES OF FRESH FISH

Tokyo Public Market, 1 January to 20 January 1946
(Average price per kilogram)

<u>Species</u>	<u>Public Market Price</u>		<u>Retail Price</u>	
	<u>Linked with Fuel Oil</u>	<u>Not Linked with Fuel Oil</u>	<u>Linked with Fuel Oil</u>	<u>Not Linked with Fuel Oil</u>
Sardine	¥ 3.79	¥ 9.34	¥ 4.16	¥ 11.20
Tuna	-	59.55	-	71.46
Squid	4.32	12.06	5.18	14.47
Yellowtail	10.66	24.53	12.79	29.43
Cod	3.46	5.60	4.15	6.72
Kichiji a	2.66	6.73	3.19	8.07
Mackerel	5.97	15.46	7.16	18.55

a/ A species of rockfish.

SOURCE: Ministry of Agriculture and Forestry, Bureau of Fisheries.

DISTRIBUTION OF FRESH FISH FISH AND SHELLFISH

Tokyo Public Market, 1 January to 20 January 1946

	<u>Total Quantity Distributed (Metric tons)</u>
Fish, linked with fuel oil	169.15
Fish, not linked with fuel oil	992.42
Shellfish	<u>38.09</u>
Total	1199.66

SOURCE: Ministry of Agriculture and Forestry, Bureau of Fisheries.

The average daily per capita purchase was 16.7 grams.

54. In Yokohama about 56 percent of the fish landings are handled by the local fishermen's association. Many fishermen prefer to deliver their catches to the association at lower prices since it is only through the association that they can obtain legal fuel and extra rice rations. About 14 percent is sold to the fish control company which pays higher prices although it does not distribute oil and rice. The remaining catches are sold to the black market.

Retailers in the Yokohama area, as elsewhere, fail to adhere to the maximum commission allowance of 20 percent. Excessive profiteering is prevalent with retail commissions ranging as high as 60 percent.

FISHERIES PRODUCTION

Current Fishing Conditions

55. More fish is reaching the consumer than has been the case

for many months. One small area reports greater catches than have ever been made before, but reports from most localities are more modest.

56. Several factors contribute toward an improvement in fishing conditions. More fuel oil is being made available to fishermen; demobilization of Japanese armed forces has allowed many former fishermen to return to their occupation; the boatyards have completed repairs on large numbers of damaged vessels; mine sweeping operations continue to remove hazards to fishing; the high prices which prevail are an inducement to increased activity.

Although the high prices are a boon to the fishermen they prevent the masses of the population from purchasing fish so that distribution is not on an equitable basis. Transportation difficulties hinder distribution to the larger cities.

57. Many prefectures reported that bad weather held down their catches but landings of fresh fish have continued at a satisfactory level. The trend of catches in six representative prefectures located in widely separated parts of Japan is shown in the accompany table.

FISH LANDINGS FOR SIX REPRESENTATIVE PREFECTURES OF JAPAN

19 November to 30 December 1945
(in pounds)

<u>Prefecture</u>	<u>Nov 19-25</u>	<u>Nov 26- Dec 2</u>	<u>Dec 3-9</u>
Aomori	1,791,632	1,806,504	1,654,177
Iwate	3,792,734	4,719,018	6,351,056
Chiba	100,245	362,287	822,279
Niigata	610,633	258,203	255,284
Hyogo	364,169	494,407	177,266
Oita	<u>451,816</u>	<u>376,396</u>	<u>499,839</u>
Total	7,111,229	8,016,815	9,759,901
	<u>Dec 10-16</u>	<u>Dec 17-23</u>	<u>Dec 24-30</u>
Aomori	1,479,404	1,620,604	3,035,725
Iwate	4,269,923	3,528,132	2,350,192
Chiba	374,643	342,584	762,225
Niigata	173,003	121,987	156,236
Hyogo	103,387	153,212	317,014
Oita	<u>538,884</u>	<u>219,712</u>	<u>388,474</u>
Total	6,939,243	5,986,231	7,009,866

SOURCE: Bureau of Fisheries, Ministry of Agriculture and Forestry.

Stockpiles of Processed Marine Products

58. Because Japanese fishing activities were seriously hampered during the latter stages of the war, no significant stockpiles of processed marine products were accumulated.

59. No stocks of fish meal are available for export at present. All the fish meal which can be produced is needed in Japan for food and fertilizer. During the present food shortage fish meal is required as an ingredient in flour.

60. No fish livers nor fish liver oil are available for export although a small surplus may be expected before the end of 1946. Large quantities of vitamins A and D, which are derived from fish livers, will be required by the Japanese people.

61. Present stocks of whale oil in Japan amount to only 336 metric tons, according to the Bureau of Fisheries. As Japan is short of supplies of both animal and vegetable oil, it will not be possible to export any whale oil at present.

The most important uses of whale oil in Japan are in the manufacture of soap and glycerin and as a fuel in place of diesel oil. Recent experiments proved the practicability of using whale oil in manufacturing margarine for cooking purposes. This use will be expanded in the future because of the lack of vegetable oils and fish oil.

62. Approximately 5,000 metric tons of canned seafood held in storage will help to alleviate the shortage of food.

HOLDINGS OF CANNED SEAFOOD (30 December 1945)

<u>Species</u>	<u>Cases a/</u>
Salmon	171,117
Sardine	17,939
Tuna	14,574
Mackerel	6,148
Other fish	9,004
Whale meat	12,039
Crab meat	<u>10,000</u>
Total	240,821

a/ 48 pounds each.

SOURCE: Canned Goods Control Company.

63. Total salted fish stocks in Japan as of 30 December 1945 were 2,871 metric tons.

Cold storage holdings in Japan on 30 December 1945

were 2,871 metric tons.

Cold storage holdings in Japan on 30 December 1945 amounted to 9,034 metric tons. Of these stocks, 8,191 tons were frozen fish and 843 tons were iced fresh fish. Figures were supplied by the Bureau of Fisheries.

FISHING AREAS

64. Japan's bid for world domination by strength of arms was preceded by an equally determined bid for supremacy in the field of worldwide fisheries. Japanese fishing vessels operated at great distances from the Home Islands, exploiting the fisheries of half the world as indicated on Map No. 6. As World War II reached its climax Japanese fishermen were driven from some areas but conducted operations in every available region until forced to retreat.

Much of the production of the overseas fisheries went to foreign markets. In many cases the sale of the fish taken in the heavily subsidized operations provided credit for the purchase of war material abroad. In conducting these fisheries the Japanese learned much about the waters in which they fished which proved useful in waging war. The large vessels and experienced crews of the overseas fishing fleet played important parts as components of the Imperial Navy.

65. At the time that the overseas operations were being conducted, fishing in home waters was providing enough fish for domestic consumption. The restricted area now authorized for Japanese fishing operations (see map) is adequate to meet present domestic food needs and at the same time safeguard security.

SCIENTIFIC AND EDUCATIONAL ACTIVITIES

66. Because of the extreme importance of fish in the economy of Japan, the Japanese Government has placed a great deal of emphasis on fisheries education and research.

Nearly every prefecture with fishery interests supports one or more Prefectural Fisheries Schools (Kenritsu Suisan Gakko). These schools are designed primarily to give training in practical fisheries matters, although theory and science subjects are also included in the curriculum.

Students who have completed the regular elementary or trade schools are eligible to enter the prefectural fisheries schools. Most of these schools continued to operate during the war and during the occupation with even greater student bodies than before Japan embarked on the Greater East Asia War.

Wakayama and Shimane Prefectures have announced the opening of new fisheries schools since the occupation. Another is currently being requested for Hiroshima Prefecture.

67. Two fisheries colleges exist in Japan. The Hakodate Fisheries College, in the city of Hakodate, Hokkaido, operates under the Ministry of Education. The Imperial Fisheries Institute in Tokyo is one of the few schools in Japan free from the jurisdiction of the Ministry of Education. It operates under the Ministry of Agriculture and Forestry.

Graduates of the prefectural fisheries schools or the middle schools are eligible to enter the fisheries colleges. The colleges teach such subjects as biology, chemistry and oceanography, as well as such practical subjects as seamanship and fishing vessel design.

JAPANESE FISHING AREAS

PRE-WAR AND POST-WAR



NOTE: AREA IN RED DENOTES POST-WAR FISHING AREA

JANUARY 46

GHQ-SCAP

NUMBER 6

Graduates of the colleges are qualified to fill positions as government civil servants in fisheries, as cannery managers, master fishermen, research scientists or teachers according to the courses taken. Some courses take three years to finish, others five years.

Since 1941 both colleges have accepted more students than before. The two colleges together graduate between 200 and 300 students annually.

68. Recently the Japan Fishermen's Union has presented a request to the Ministry of Education for the establishment of a third fisheries college. This college is to be situated in Kyushu, thus making this level of fisheries education more easily available to prospective students in the south of Japan.

69. Three of the seven Imperial Universities in Japan Proper have fisheries departments in the faculties of Agriculture. These universities are the Hokkaido Imperial University in Sapporo, the Tokyo Imperial University and the Kyushu Imperial University at Fukuoka.

These universities give the highest level of fisheries training in theory and practice which is available in the country. A three-year course leads to the degree of Suisangakushi, about the equivalent of a master's degree. Graduate schools in fisheries are also provided. These lead to the Hakushi or doctor's degree.

Each of these universities graduated about 10 students a year prior to the war. Under a wartime accelerated educational program the number of entering and graduating students was doubled. The present number of students is at the wartime level.

Research Stations

70. One hundred twelve government-supported fisheries and marine products research stations and branch stations operate in Japan Proper. The Japanese Government supports a Central Imperial Fisheries Experimental Station in Tokyo. This station has six branch stations situated strategically throughout the country.

Forty-three of the 47 prefectures, including Okinawa, have research and experimental stations doing biological and technological research in fisheries. Some of these stations have one or more branch stations within the prefecture for special problems.

71. In addition there are about 12 marine biological stations which are associated with other universities and colleges. Several research laboratories are privately operated by the large fishing companies and at least one station is financed by a philanthropic industrialist interested in furthering pure research in marine biology.

[Faint, illegible text covering the majority of the page, appearing to be several paragraphs of a document.]

SECTION 2

FORESTRY AND MINING

C O N T E N T S

	Paragraph
Forestry.	4
Mining and Geology.	26

1. Charcoal remains the principal fuel for cooking and heating in Japan. Lumber and plywood are basic materials upon which reconstruction is dependent. Shortages of certain critical items are adversely affecting the production of these commodities.

2. With the increase of coal production in January, and the prospect of further rise shown by revised quotas announced by the Japanese Coal Board for the first quarter of 1946, mining and cement production should improve.

3. While no petroleum exploration is being done at present, subsidies proposed by the Bureau of Mines, Ministry of Commerce and Industry for the fiscal year 1946 - 1947 in the amount of ¥ 6,400,000 are designed to encourage prospecting for oil. This is part of the plan of expending ¥ 16,000,000 during the next two fiscal years in subsidizing the drilling of 100 wells.

FORESTRY

	Paragraph
Climatic Timber Zones.	4
Current Charcoal Situation	6
Lumber Production, Stockpiles and Needs.	12
Plywood.	16
Critical Items in Forest Products Industries	17
Wood Pulp and Paper.	21

CLIMATIC TIMBER ZONES

4. The effect of climate and elevation upon the distribution of original forest types on the four main islands of Japan is shown in Chart No. 7.

The warm regions of Kyushu below 850 meters, Shikoku below 750 meters, and southern Honshu below 500 meters and south of 36° north latitude were covered originally by evergreen hardwood forest, consisting of such species as oak, chestnut, camphor, Zelkova, Paulownia, and the coniferous species, red pine, black pine, fir, hemlock and Cryptomeria. Bamboo grows abundantly in this region.

The temperate regions of Kyushu above 850 meters, Shikoku between 750 and 1800 meters, central Honshu below 1400 meters,

northern Honshu below 1000 meters, and Hokkaido below 500 meters and south of 43°30' north latitude were forested originally with deciduous hardwoods consisting of such species as beech, oak, maple, ash, chestnut, elm, cherry and such conifers as cedar, Cryptomeria, red pine, black pine, larch, fir, spruce and hemlock. Bamboo also grows well here.

The cold regions of Shikoku above 1800 meters, southern and central Honshu above 1400 meters, northern Honshu above 1000 meters and Hokkaido north of 43°30' north latitude were covered originally by conifers, fir, spruce, larch, yew and such hardwoods as birch, alder, aspen and willow.

5. Most of these areas have been cut over and planted several times, principally to Cryptomeria, cedar and red and black pine, so that the original forest types are not necessarily present on the ground as shown on the map.

CURRENT CHARCOAL SITUATION

6. Critical shortages of charcoal exist in urban areas, particularly Tokyo, Nagoya and Osaka. The Ministry of Agriculture and Forestry planned to furnish these three cities about 160,000 metric tons in the fiscal year 1945 - 1946. Only 70,000 metric tons or less than half the required amount were provided.

7. Approximately 84,000 metric tons of charcoal are stockpiled in prefectures but as shown in Chart No. 8 only a small part of this is available for use in the large cities. Much of it is needed or held by prefectures for local use and transportation difficulties prevent the ready flow of this bulky commodity from producing to consuming areas. The prefectures which have surpluses of charcoal are distant from large cities.

8. Production of charcoal declined from 1,071,056 metric tons in 1944 to 730,720 metric tons in 1945, a drop of 32 percent, as indicated by the following table. Estimates of the Japanese for production of charcoal for the first three months of 1946 are also shown.

CHARCOAL PRODUCTION (in metric tons)

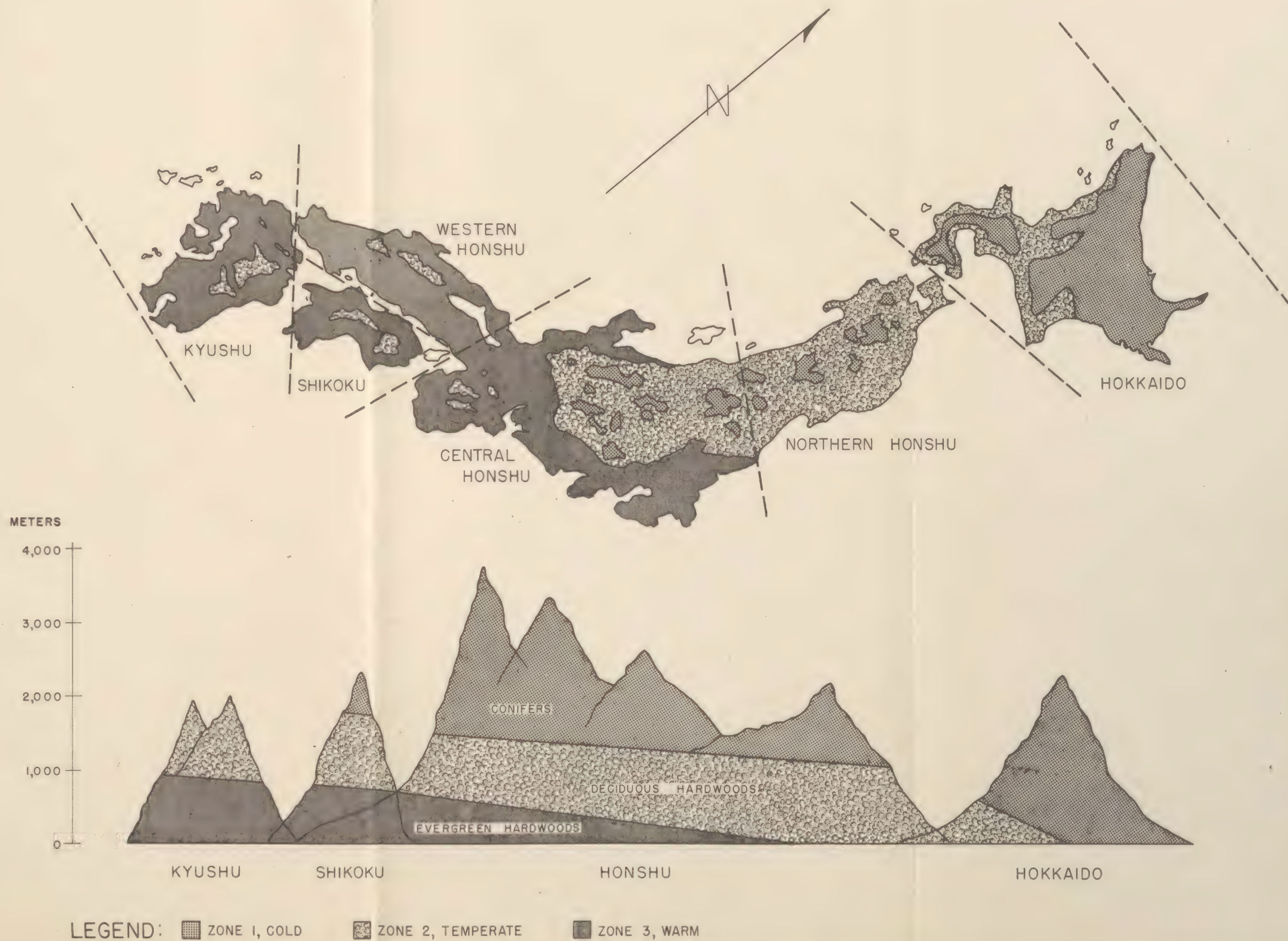
Forest District	1944 a/	1945 a/	1946
			Jan. - Mar. (incl) b/
Hokkaido	78,798	57,873	33,727
Tohoku	252,537	190,357	121,743
Kanto & Shinetsu	152,569	111,106	117,194
Tokai & Hokuriku	128,822	87,893	59,807
Kinki	65,181	53,625	63,375
Chugoku	178,523	101,661	95,739
Shikoku	76,805	46,930	62,170
Kyushu	<u>137,821</u>	<u>81,275</u>	<u>105,525</u>
Total	1,069,356	730,720	659,280

a/ Calendar year

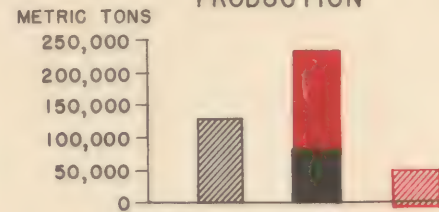
b/ Estimate

SOURCE: Ministry of Agriculture and Forestry, 26 Dec 1945.

TIMBER — CLIMATIC TYPE ZONES — JAPAN



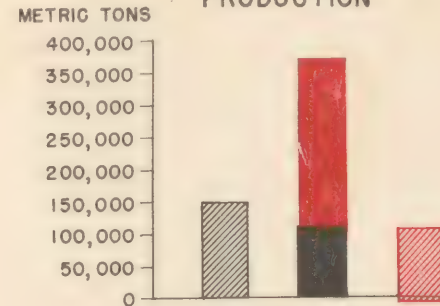
DISTRICT IV - TOKAI PRODUCTION



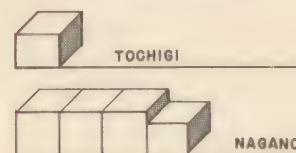
STOCKPILES



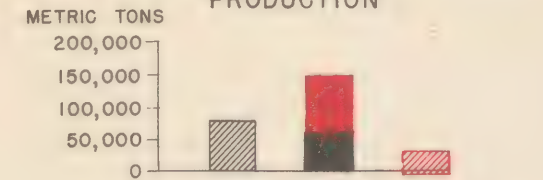
DISTRICT III - KANTO PRODUCTION



STOCKPILES



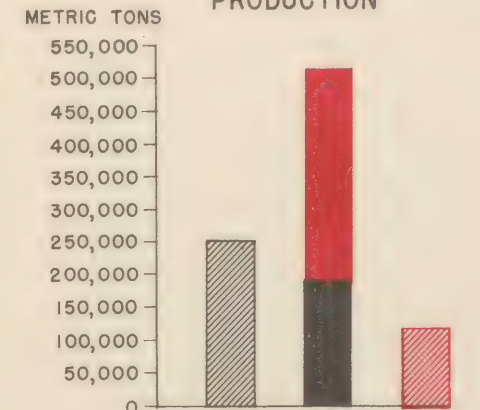
DISTRICT I - HOKKAIDO PRODUCTION



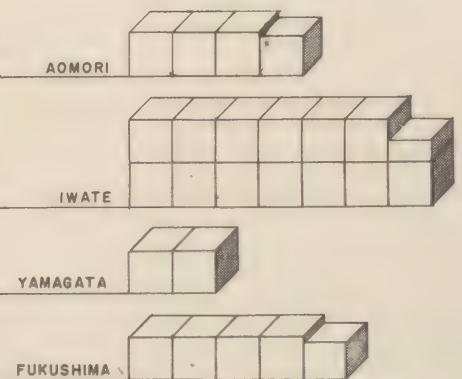
STOCKPILE



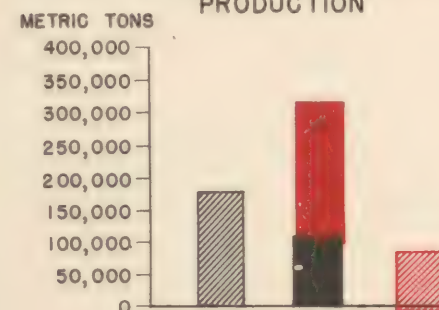
DISTRICT II - TOHOKU PRODUCTION



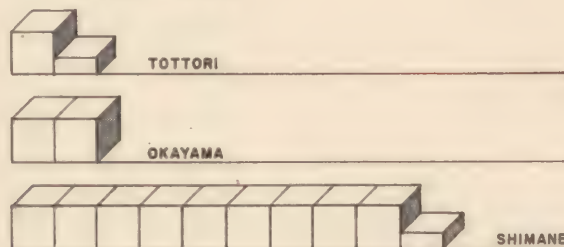
STOCKPILES



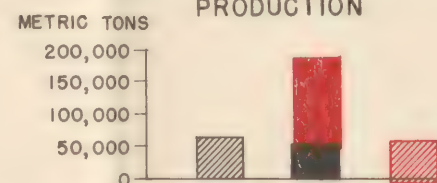
DISTRICT VI - CHUGOKU PRODUCTION



STOCKPILES



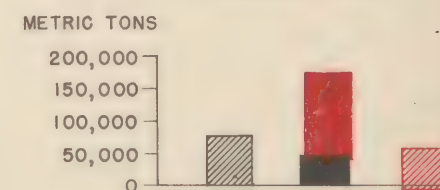
DISTRICT V - KINKI PRODUCTION



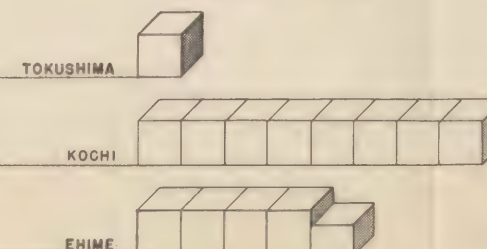
STOCKPILE



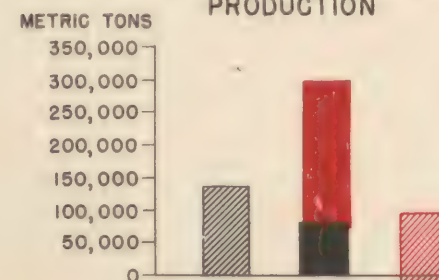
DISTRICT VII - SHIKOKU PRODUCTION



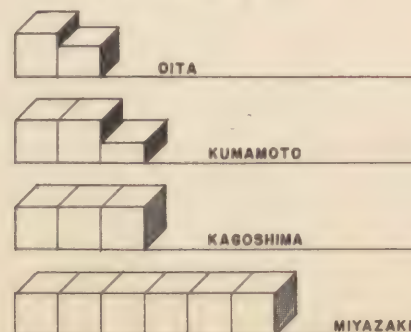
STOCKPILES



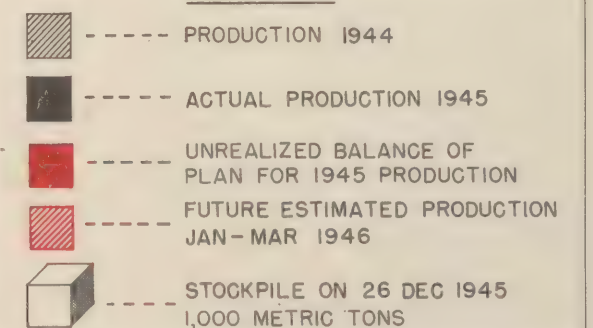
DISTRICT VIII - KYUSHU PRODUCTION



STOCKPILES



LEGEND



CHARCOAL

PRODUCTION BY DISTRICTS
AND STOCKPILES BY MAJOR
PRODUCING PREFECTURES

JAPAN

9. The Japanese Government's goal of supplying one bale (15 kg) of charcoal to each family in Japan each month is not being attained. At present only 35 percent of the required amount is being delivered to consuming areas. Although firewood is used to supplement charcoal, both firewood and charcoal are meeting only 50 percent of minimum requirements.

10. Charcoal production is a seasonal occupation and normally reaches its peak in the months of November to March. During the last three months of 1944, 404,000 metric tons of charcoal were produced. This figure dropped to 191,000 metric tons during the last three months of 1945.

According to the Ministry of Agriculture and Forestry, the reduced production was caused by lack of food for charcoal workers and lack of transportation for the finished product. The charcoal producers add a third reason in the low price they are receiving for charcoal. One worker stated that he nets three yen per bale of charcoal. He and his wife produce three bales per day which provides a joint income of nine yen per day.

Workers generally agree that lack of food is the biggest block to production. In spite of food bonuses, the average worker is subsisting on much less than his normal amount of food. Since charcoal production requires strenuous physical exertion, this smaller ration of food is immediately reflected in the amount of charcoal produced. Many charcoal workers have left their kilns to work on farms where they have a much better chance of getting food.

11. Officials of the ministry, prefectural charcoal inspectors and charcoal workers all agree that the charcoal production situation is slowly improving. In December 20 carloads of charcoal were received in Tokyo daily. This figure increased to 30 carloads per day in January, and from present indications will reach 45 carloads per day in February. Minimum requirements are 75 carloads daily.

The Tokyo supply of charcoal is being supplemented by 40 carloads of firewood. This is an improvement over December when 20 carloads were received daily.

LUMBER PRODUCTION, STOCKPILES AND NEEDS

12. The monthly production of logs from 1930 to 1940 averaged 500,000,000 board feet and was increased to a peak of 600,000,000 board feet during the war. The principal use was for lumber, veneer, poles, mine timbers, railroad cross-ties and pulp.

Lumber production increased from an average of about 250,000,000 board feet per month during 1930-1940 to a wartime high of 417,000,000 board feet per month.

To obtain this relatively high rate of production Japan over-cut its forests, cut the most readily accessible timber, and caused its machinery to become worn out.

13. In September 1945 production based on normal pre-war years was only 44 percent for logs and 56 percent for lumber. By December 1945 production of logs had declined further to about 40 percent of pre-war levels.

Lumber production in December had increased to 67 percent of normal as a result of an attempt by the Japanese to convert as many of the logs as possible into lumber at the expense of other

forest products. Even at 67 percent of normal production Japan is only manufacturing 167,000,000 board feet of lumber per month or about 2,000,000,000 board feet yearly.

14. Stockpiles of logs and lumber have declined almost to the vanishing point. In December according to the Bureau of Forestry total stocks of lumber amounted to only 127,000,000 board feet and represented a decline of 36 percent since 1 November. Stocks are so small that practically all lumber is now used green as soon as it is sawed.

With reduced production of lumber and practically no stocks, Japan is in no position to embark upon a large scale home-building program. According to Japanese sources 4,000,000 homes are needed. To build these, at least 10,000,000,000 board feet of lumber are required. This figure presupposes that only the 216 square feet rehabilitation house, which requires 2,400 board feet of lumber, will be constructed.

15. How this lumber is to be provided poses one of Japan's big problems in domestic production. Based on the present rate of production of 2,000,000,000 board feet per year of all sawed products, and on the assumption that all lumber or sawed products could be used for home building, five years would be required to provide the necessary lumber.

PLYWOOD

16. Plywood is one of Japan's most important forest products. From 1940 to 1945, most plywood produced went into airplanes, boats and other war material. Now plywood is urgently needed for peacetime uses. The majority is going into building construction.

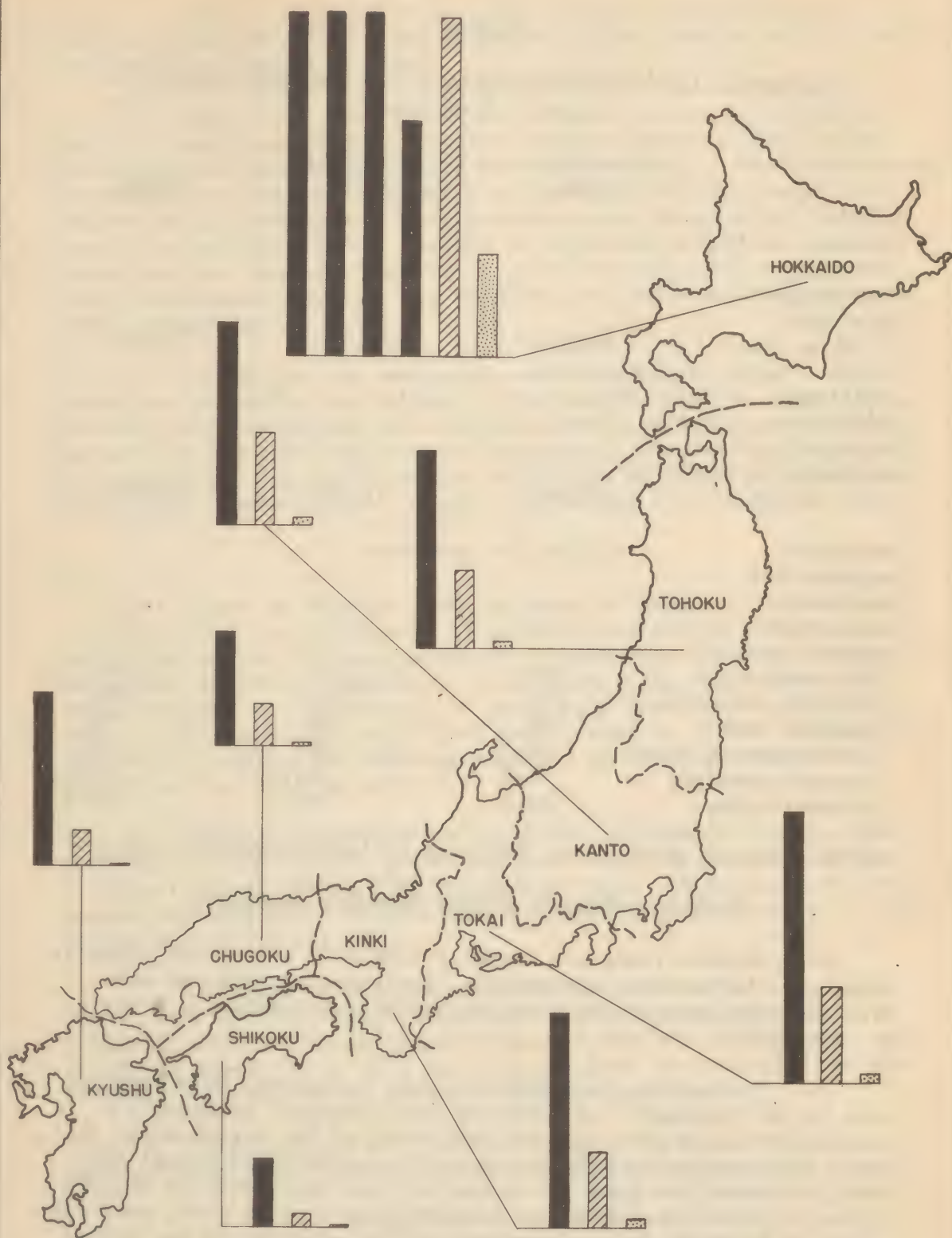
Most plywood is of three-ply construction but it is sometimes made up into five and seven-ply where strength is needed for special uses.

Maximum production was reached in 1941 when 600,000,000 square feet were made. Present annual capacity is 240,000,000 square feet. Production is far below capacity, being about 8,000,000 square feet per month.

Planned production for the first three months of 1946 is only 7,000,000 square feet per month or about 35 percent of capacity. About one-half of the production is expected to come from Hokkaido.

Stockpiles of plywood have dwindled to almost nothing. At the end of 1945, only 4,000,000 square feet of plywood were in stock. This is one-half of one month's production. Three-fourths of the present stocks are in Hokkaido. Many difficulties are encountered in shipping plywood from Hokkaido to war-stricken areas where this material is urgently needed.

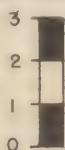
Estimated production figures for January to June 1946 are shown in the following table and Chart No. 9. All figures on plywood production are based on three-ply (three sheets of veneer bonded together with crossed grain).



SOURCE: BUREAU OF FORESTRY

SCALE

MILLIONS OF SQUARE FEET



LEGEND

- PRODUCTION (APR - DEC 45)
- ▨ ESTIMATED PRODUCTION (JAN - MAR 45)
- ▤ STOCK ON HAND (END OF 1945)

PLYWOOD

PRODUCTION AND STOCKPILES BY DISTRICTS JAPAN

PLYWOOD

PRODUCTION AND REQUIRED MATERIALS FOR INCREASED PRODUCTION Jan - June 1946

	<u>Jan-March</u> <u>1946</u>	<u>April-June</u> <u>1946</u>	<u>Total</u>
Planned production with available materials (1000 sq. ft.)	22,575	13,043	35,618
Additional production if materials available (1000 sq. ft.)	37,845	47,377	85,252
Materials required for increased production (metric tons)			
Soy beans	870	1,090	1,960
Silicate of soda	321	403	724
Caustic soda	32	40	72
Kraft packing paper	22	28	50
Special dextrine	4.5	5.7	10.2
Japanese glue	20.8	26.1	46.9

SOURCE: Bureau of Forestry, Ministry of Agriculture and Forestry

CRITICAL ITEMS IN FOREST PRODUCTS INDUSTRIES

17. Certain items are urgently needed by all forest products industries to increase production. Shortages of food and warm clothing, and lack of adequate transportation retarded activities in this field.

18. Transportation facilities were relatively poor from the tree to the consumer. In Hokkaido, the "woodyard of Japan", a scarcity of rails prevented the extension of the narrow-gauge railroads into merchantable timber stands; a scarcity of horses and feed for horses cut down the number of logs that could be skidded to the railhead; a shortage of locomotives, freight cars, coal and efficient handlers delayed movement of the products to the ports; a scarcity of ships curtailed the amount of products that could be brought from Hokkaido, where a surplus existed, to Honshu, where forest products were critically needed.

19. Specific shortages are noted for each industry. In saw-mills, saw blades, motors, belts, grindstones and lubricants are needed. In the pulp and paper industry shortages are apparent in fiber, coal, grinder stones, metal screens, electrical motors, felts, machinery, replacement parts and lubricants.

In the veneer and plywood industry glue, soda, dextrine and Kraft paper are needed, in addition to motors, machinery parts and lubricants. One shortage which the veneer industry recently overcame was the need for lathe knives. These were furnished by Germany during the war, but now are made by Japanese plants which formerly manufactured Samurai swords.

Even in a relatively simple activity like the distribution of charcoal, shortages peculiar to the industry such as that of rice-straw packages appear.

20. The larger forest products industries are having difficulty in coordinating various parts of their plants. Efficiency during the war was sacrificed by scattering parts of the large plants to prevent complete loss in event of bombing. Now the companies are trying to consolidate their machinery and re-establish production-line methods. Former sources of supplies to Japan's forest industries are closed. Imports of pulp from Karafuto, of veneer logs from the Philippines, and of machinery from the United States are no longer made.

Because of the shortages mentioned above, Japan's prospects for increasing her production of lumber, plywood, pulp and charcoal are exceedingly poor for the immediate future. It is expected that natural readjustment trends will cause a slight increase in production as a result of more efficient utilization of existing facilities of manufacture, transportation and distribution.

WOOD PULP AND PAPER

21. Prior to the war Japan imported a large portion of her wood pulp, but the difficulty of getting imported pulp during and after the war led to development of a large pulp industry in Hokkaido and Karafuto. Expansion of the rayon pulp industry was especially rapid. Production of rayon pulp grew from 3,620 metric tons in 1932 to a high of 297,000 metric tons in 1941. Imports of this type of pulp also increased rapidly reaching a maximum of 296,000 metric tons in 1937.

22. Average production of paper and paperboard for the Japanese Empire from 1935 to 1940 was about 1,274,000 metric tons and for Japan Proper about 1,092,000 metric tons. Average per capita consumption was about 30 pounds or approximately 10 percent of that of the United States.

Capacity to produce paper before the bombing attacks is illustrated by 1941 results when the Japanese Empire produced 1,516,000 metric tons and Japan Proper, 1,280,000 metric tons. An estimated one-third of this capacity was lost by bombing. Current production is well below estimated present capacity.

23. Pulp production capacity in Japan before the bombing raids is typified by actual production for the year 1941:

PULP PRODUCTION IN JAPAN FOR 1941 (metric tons)

	<u>Japanese Empire</u>	<u>Japan Proper</u>
Rayon pulp	265,000	199,000
Chemical pulp	614,000	247,000
Mechanical pulp	<u>420,000</u>	<u>373,000</u>
Total	1,299,000	819,000

SOURCE: Oji Paper Mfg. Co.

According to the Japanese authorities bombing reduced the pulp-making capacity of Japan Proper by about one-fourth.

24. About 35 percent of the pulp producing capacity of pre-war Japan was located outside of Japan Proper. Of the rayon pulp produced by the Empire in 1941 almost one-third was made in Karafuto and Korea, sources now lost to Japan. These facts, coupled with loss of imports, show that the paper and dissolving pulp industries (such as rayon) have been drastically reduced. While bomb damage is appreciable, some paper machines now in operating condition are shut down for lack of pulp or are running at reduced rates to conserve small remaining stocks. Some machines are unable to run because of lack of coal.

25. Paper is therefore a scarce commodity and no great amount of surplus stocks is known to exist. Production has fallen off rapidly; it is now only a fraction of what Japan considers her civilian needs. The same situation is true of rayon pulp for textile production. One of the more important obstacles to increased production is the shortage of fibrous raw material. Other serious contributing factors would include shortages of coal, labor, transportation and machine parts.

MINING AND GEOLOGY

	Paragraph
Coal.	26
Minerals and Metals	36
Cement.	43
Sand and Gravel	55
Crushed Rock.	61
Building Stone.	63
Water Resources	66

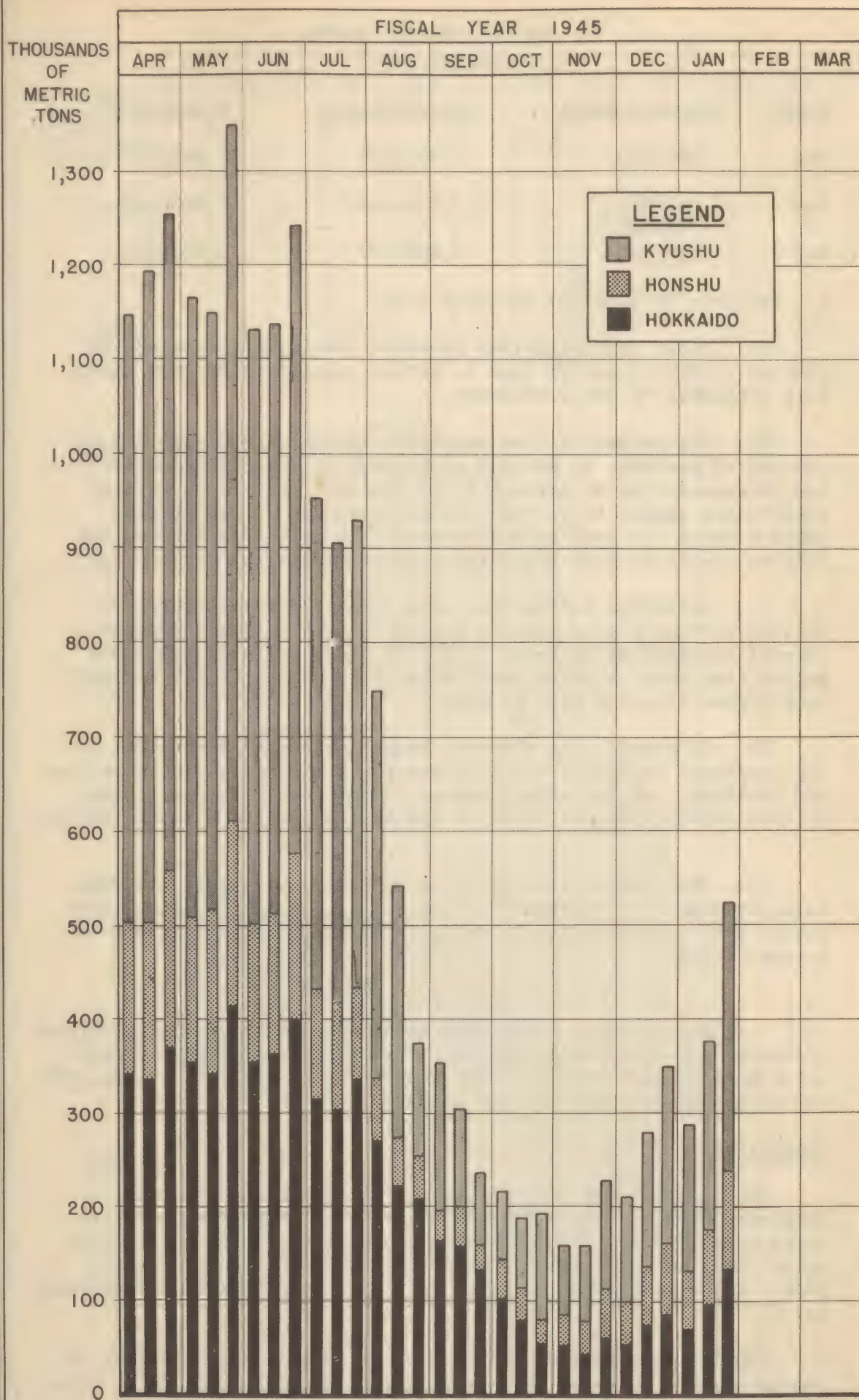
COAL

Production

26. Preliminary reports on coal production in January indicate a total of 1,187,300 metric tons, or 41 percent higher than December production; which in turn was 53 percent higher than November. The latter month had the lowest production of the century. The details of production changes in the fiscal year of 1945 - 1946 are shown on Chart No. 10.

January production suffered from the three-day celebration of the New Year holidays, but the daily rate of production has continued to rise as rapidly as it did in December.

27. December production was 26 percent above the quota. On this basis and in response to an order from SCAP, the Japanese Government, through the Coal Board, presented a revision of the coal production quotas for January, February and March 1946:



NOTE: NOVEMBER, DECEMBER AND JANUARY FIGURES ARE ESTIMATED

COAL PRODUCTION BY DISTRICTS

BY TEN DAY PERIODS

JAPAN

COAL PRODUCTION QUOTAS
(metric tons)

<u>Month</u>	<u>Original Quota</u>	<u>Revised Quota</u>	<u>Capacity a/</u>
Jan	990,000	1,050,000	1,200,000
Feb	1,050,000	1,100,000	1,500,000
Mar	1,250,000	1,400,000	2,000,000

a/ Estimate by SCAP, 31 December 1945.

28. Field investigations revealed that Kyushu promises to produce 1,000,000 metric tons in March, instead of 780,000 metric tons scheduled by the Coal Board.

29. The number of mine employees increased from 232,310 at the end of December to 261,684 at the end of January and absenteeism decreased from 26 percent to 18 percent. Many more skilled workers are needed to re-open haulage ways and working places which slumped for lack of maintenance last fall when Koreans and Chinese ex-miners were hindering Japanese activity.

According to the Coal Association only 40 percent of wartime working places are now accessible. This would suggest a present capacity of at least 1,500,000 tons; probably 2,000,000 metric tons could be attained within three months if all desired underground laborers were at work.

30. At present the greatest stimulus to coal production is the increased food ration. In January the miner's war-time ration was restored, but its effectiveness is somewhat weakened by the natural tendency of the miner to divide his portion with his family.

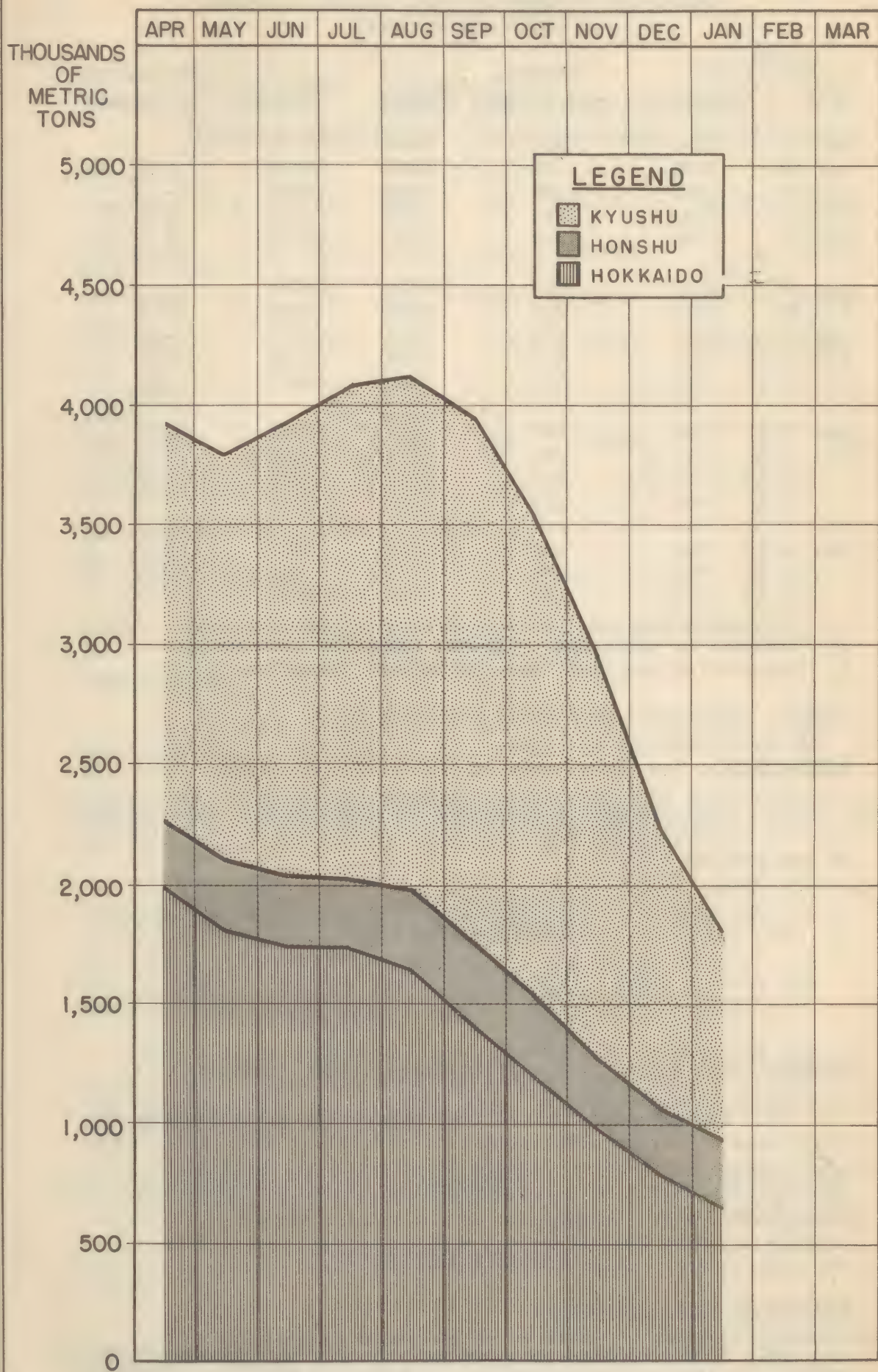
31. The present selling price of coal is fixed by the Japanese Government to average ¥ 58 per metric ton at the mines, but actual cost of production is reported by the Coal Association to average ¥ 256.

The Japanese Government advocates making up the difference by continuing the subsidy system. The Coal Association has estimated that at that rate the coal subsidy total would be ¥ 3,981,000, 000 in the fiscal year of 1946 - 1947.

Stockpiles

32. Preliminary reports on coal stockpiles in the hands of producers and the Nippon Sekitan Company, national coal distributing agency, showed a drop of 395,000 metric tons from 2,211,000 metric tons on 31 December 1945 to 1,816,000 tons on 31 January 1946. Additional data are shown on the accompanying table and Chart No. 11.

33. Certain factors indicate that there is some doubt as to the accuracy of current stockpile figures and an inventory is being made for verification.



COAL STOCKPILES BY DISTRICTS FISCAL YEAR-1945 JAPAN

STOCKPILES OF COAL IN JAPAN PROPER 1945-1946
(1000 metric tons)

<u>Date</u>	<u>Hokkaido</u>	<u>Honshu and Shikoku</u>	<u>Kyushu</u>	<u>Total</u>	<u>Percentage of Change</u>
Mar 31	2090	307	1634	4031	
Apr 30	1870	296	1646	3812	- 5
May 31	1750	298	1762	3810	-
Jun 30	1747	326	1963	4036	+ 6
Jul 31	1738	314	2061	4113	+ 2
Aug 31	1517	344	2234	4095	-
Sep 30	1270	318	2143	3731	- 9
Oct 31	1046	294	1847	3187	-15
Nov 30 <u>b/</u>	921	263	1554	2738	-14
Dec 31 <u>b/</u>	761	292	1158	2211	-19
Jan 31 <u>b/</u>	662	263	889	1814	-18
Dec 10 <u>b/</u>	814 <u>a/</u>	345	1379 <u>a/</u>	2538 <u>a/</u>	
20 <u>b/</u>	761 <u>a/</u>	335	1242 <u>a/</u>	2338 <u>a/</u>	- 8
31 <u>b/</u>	761	292	1158	2211	- 5
Jan 10 <u>b/</u>	735	265	1049	2049	- 7
20 <u>b/</u>	714	280	971	1965	- 4
31 <u>b/</u>	662	263	889	1814	- 7

a/ Revision of preliminary figures submitted last month.

b/ Reports for the last three months are incomplete.

SOURCE: Japanese Coal Control Association.

Consumption

34. Although true figures for coal consumption since October are not yet available, current allotment plans give an indication of the present situation.

COAL ALLOTMENTS
(1000 metric tons)

Dec	1,066
Jan	1,321
Feb	1,491

SOURCE: Coal Bureau, Ministry of Commerce and Industry.

35. Comparison of recent coal production and allotment figures shows a planned withdrawal from stockpiles that is far less than the actual reported decline in stockpiles. Much of this is probably the result of a re-appraisal of inaccurate, inflated stockpile inventories.

MINERALS AND METALS

Nonferrous Metal Industries

36. Pertinent data on a number of nonferrous smelting and refining industries are given in the following table. On 1 January 1946, 11,400 men were employed by industries covered in the table.

NONFERROUS METAL INDUSTRIES

January 1946

	<u>No. of Plants</u>		<u>Production</u>			<u>Stock</u> (metric tons)	
	<u>In</u>	<u>Total</u>	<u>(metric tons)</u>		<u>Capacity</u>	<u>Ore/Con-</u> <u>centrate</u>	<u>Metal</u>
	<u>Operation</u>		<u>Dec a/</u>	<u>Jan b/</u>	<u>(tons/month)</u>		
Copper							
Smelting	4	14	370	500	12,672	241,000	1,620
Copper							
Refining	3	12	150	400	9,665	c/	3,550
Zinc							
Refining	4	8	856	1000	7,035	24,100	5,960
Lead							
Refining	3	5	155	130	3,650	3,060	4,100
Tin							
Refining	0	1	0	0	50	0	0
Nickel							
Refining	0	2	0	36	320	0	153
Antimony							
Refining	0	3	0	13	70	2,100	43

a/ Estimated in part.

b/ Estimated.

c/ Not covered.

SOURCE: Bureau of Mines, Ministry of Commerce and Industry.

Zinc and Lead

37. Japanese production of zinc and lead is closely related since the major proportion of both metals is recovered from the same ore. Average ratio of zinc to lead in the ore is about 5 to 1. Japan uses approximately the same quantity of each of these metals. The apparent annual average consumption of zinc for period 1925-1929 was 50,852 metric tons, and of lead 56,856 metric tons.

Domestic production of zinc in the future should be about adequate for home needs but domestically produced lead will be inadequate. The maximum attainable production of zinc and lead for the coming fiscal year as estimated by the Bureau of Mines, is 35,000 tons of zinc and 8,500 tons of lead. These figures are probably considerably higher than actual production will be.

38. Around 1938 approximately 70 percent of the lead and zinc production of Japan came from the Kamioka Mine, and a large part of the remainder from the Hosokura Mine. The rest was by-product from copper and gold-silver mining.

During the war a large number of zinc-lead mines was opened and operated on a subsidy basis. Most of these are now closed and will not reopen because of the submarginal grade of the ore. Zinc-lead mine production reached a peak in 1943 when ore containing 93,316 metric tons of zinc and 22,706 metric tons of lead was mined.

According to Bureau of Mines figures, refinery production reached a peak for zinc in 1943 when 61,473 metric tons were produced and for lead in 1944 when 34,929 metric tons were produced. The rated zinc refinery capacity for 1944 was 178,600 tons. Approximately 52 percent of zinc produced in the last few years was electrolytically refined and had an average purity of 99.98 percent; the remaining 48 percent was distilled and had an average purity of 98.7 percent. Rated lead refinery capacity for 1944 was 53,800 metric tons.

Copper

39. Copper is the only metal of which Japan has an adequate supply within the Home Islands. In 1936 she produced about five percent of the world's supply. Japan was a substantial exporter of copper until 1933 when the policy of great expansion of Japanese industries for war preparation began to take effect. After 1932 the only important movement of copper out of the Home Islands was to Japanese-occupied territory except for one shipment of 1,820 tons to Germany in 1940.

Charts No. 12, No. 13 and No. 14 indicate the essential features of Japan's copper industry.

Ferro-alloys

40. The supply of ores of ferro-alloy metals in the Home Islands is: chromium, moderate; manganese, poor; tungsten, slight; nickel, vanadium and molybdenum, extremely small.

41. Chart No. 15 illustrates Japan's progress in becoming independent of heavy imports of manganese ore, although the chart itself does not tell the whole story. Japan is strongly deficient in manganese ores of normal commercial grade and her accomplishment during the war in securing a large supply of manganese is remarkable. This was done by mining extremely low-grade ore; the balanced average grade of all ore mined in 1944 was about 31 percent.

42. The great expansion of the ferro-alloy industry is indicated by chart No. 16. Japan has electric furnace capacity in excess of that necessary for a peacetime steel industry.

CEMENT

43. The cement industry developed to such a degree that Japan was a substantial exporter. The chief raw materials are available in adequate amounts. Limestone, the main requirement, is not a common rock in Japan but substantial deposits do occur in a number of places and supplies are adequate. Coal resources, a major requirement for cement manufacture, are widely distributed and abundant.

Gypsum is a minor, although essential, requirement and was largely imported before the war. During the period from 1942 to 1945 a substantial amount of low grade gypsum was produced. Although most of this material is not suitable for higher-grade uses, it is satisfactory for use in making cement.

It now appears that supply is sufficient to meet demands of the cement industry; it is even possible that gypsum of a grade suitable for cement may be available for export. Such material is urgently needed by the cement industry of the Philippines.

Controls

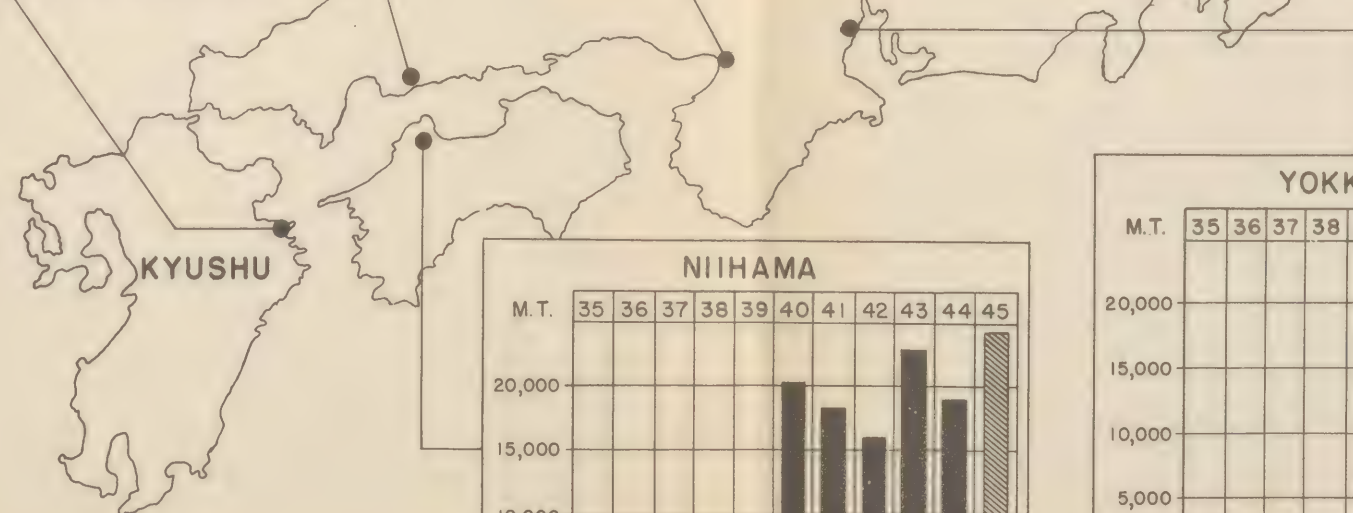
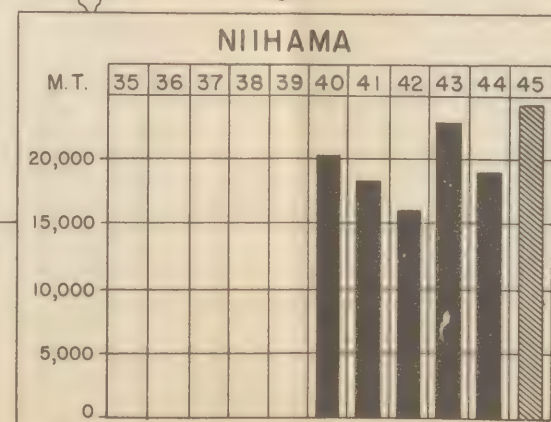
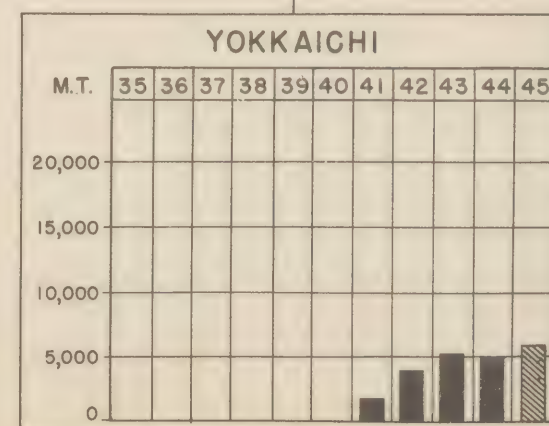
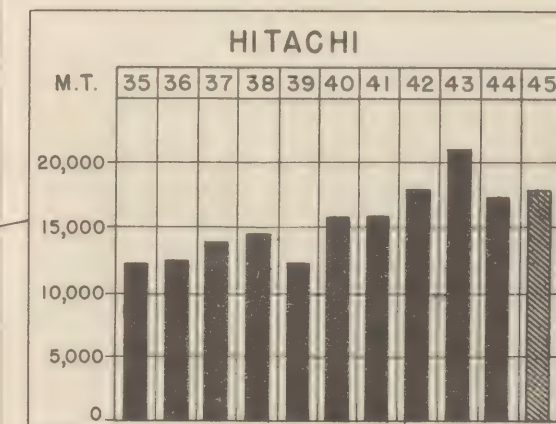
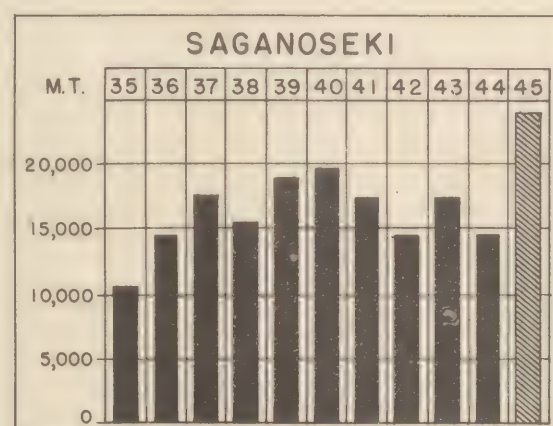
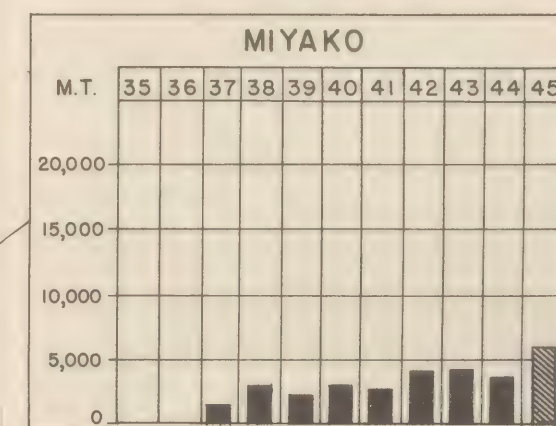
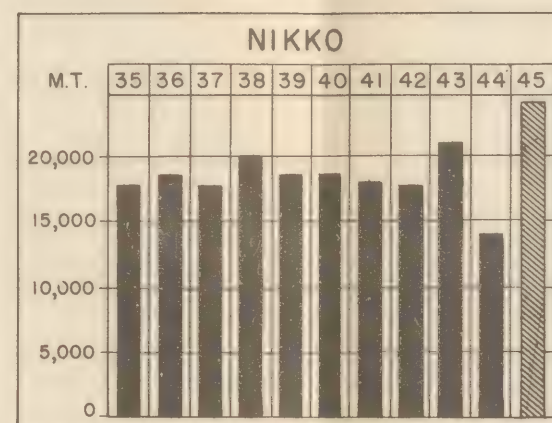
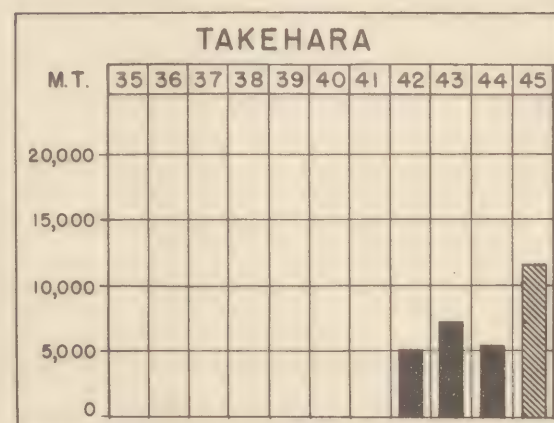
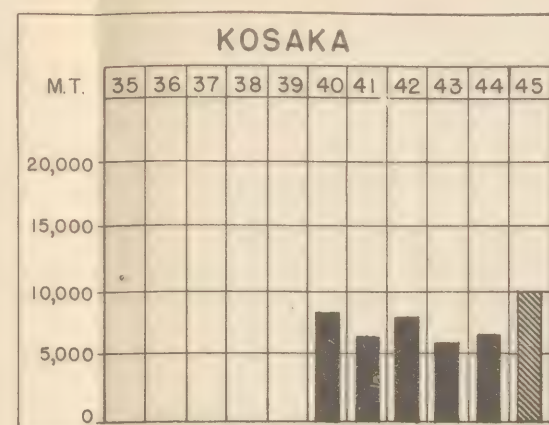
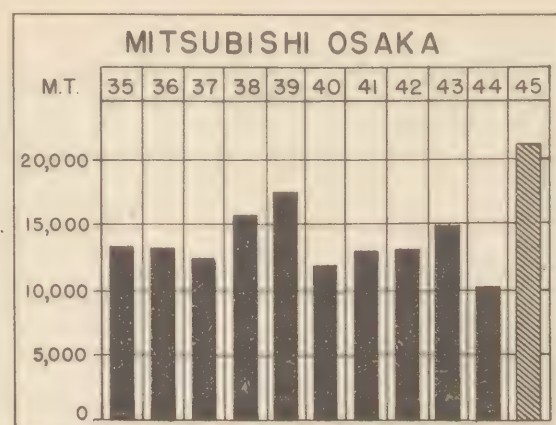
44. All production and distribution of cement in Japan is controlled by the Portland Cement Control Association in cooperation with the Ministry of Commerce and Industry. Prices are fixed by the ministry on recommendation of the Control Association.

Distribution and Ownership of Factories

45. Cement factories are well distributed throughout Japan. Of a total of 37 there are two on Hokkaido, 22 on Honshu, one on Shikoku and 12 on Kyushu, as shown in Chart No. 17.

SOURCE: BASIC MATERIALS DIVISION, U.S. STRATEGIC BOMBING SURVEY
DATA IN METRIC TONS FROM JAPANESE MINING BUREAU

NOTES: DATA FOR 1945 INDICATES CAPACITY
M.T. = METRIC TONS



COPPER

PRODUCTION BY
PRINCIPAL REFINERIES

JAPAN

JANUARY 46 GHQ-SCAP NUMBER 12

REFINED COPPER PRODUCTION, IMPORTS, EXPORTS AND CONSUMPTION*

METRIC
TONS

250,000

200,000

150,000

100,000

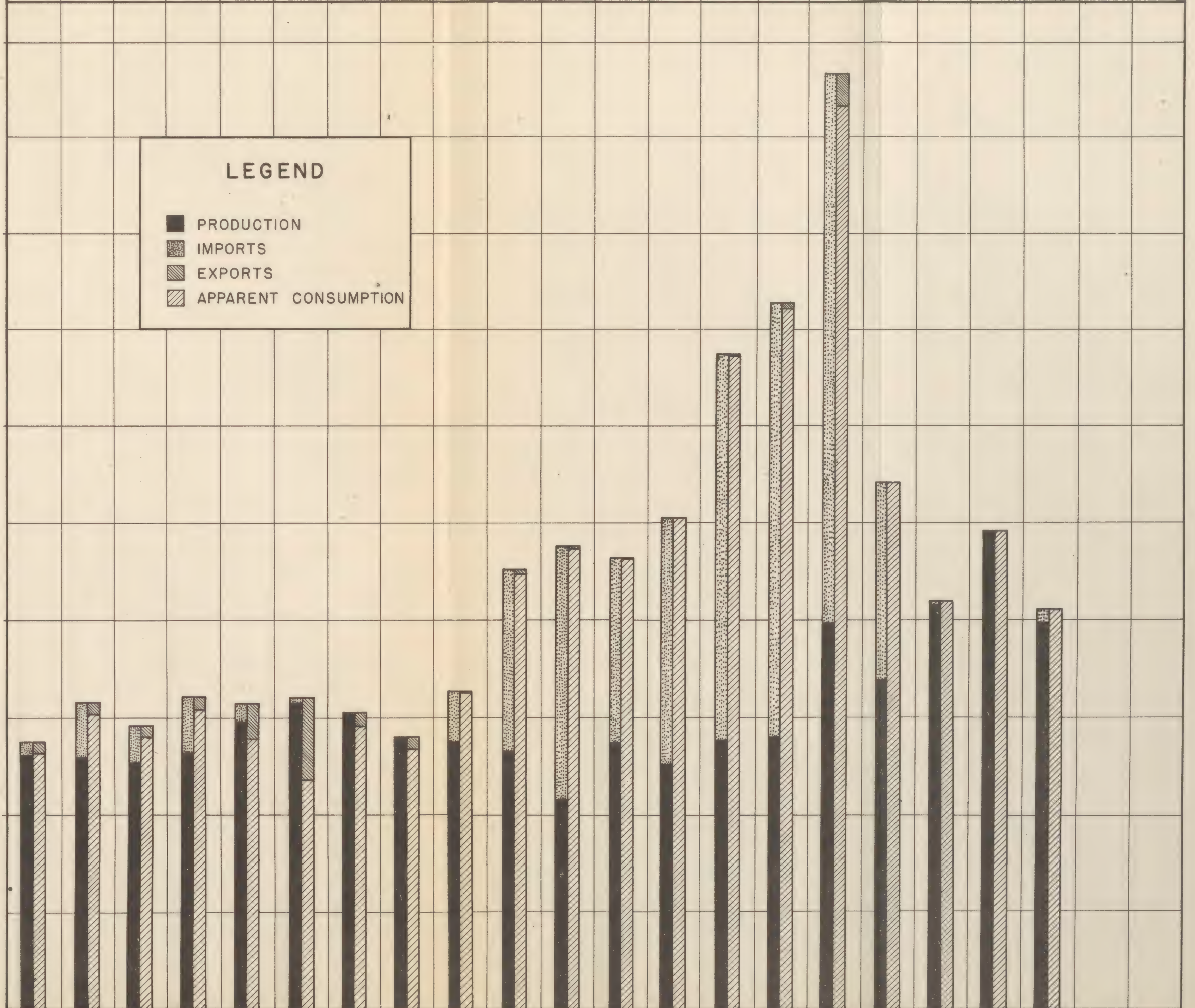
50,000

0

LEGEND

- PRODUCTION
- ▤ IMPORTS
- ▥ EXPORTS
- ▧ APPARENT CONSUMPTION

1925 1926 1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943 1944 1945 1946



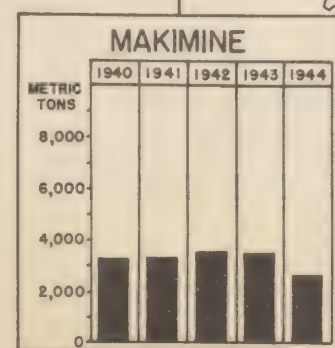
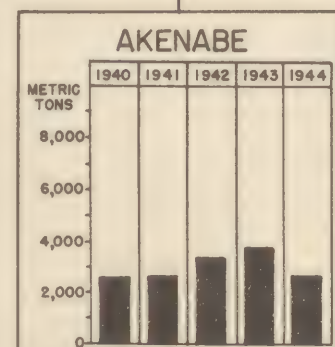
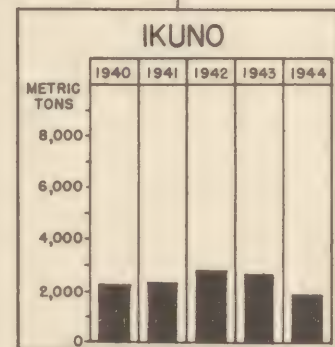
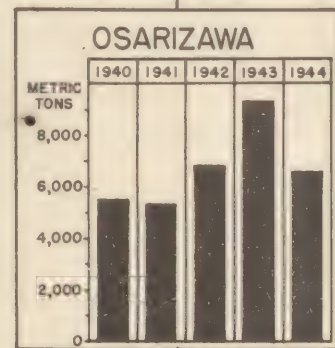
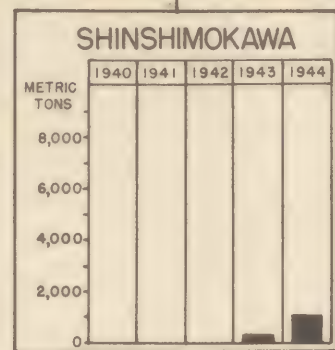
* APPARENT CONSUMPTION

JANUARY 46

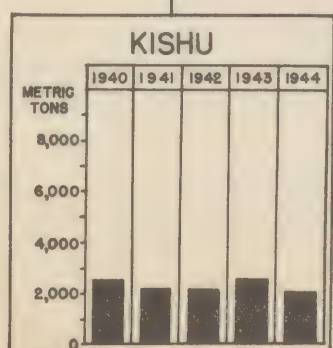
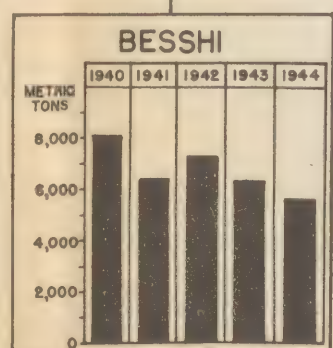
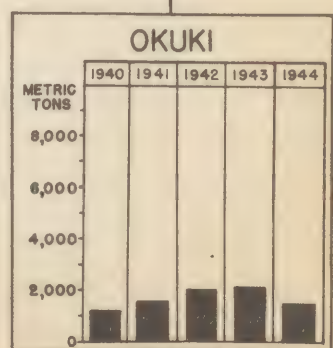
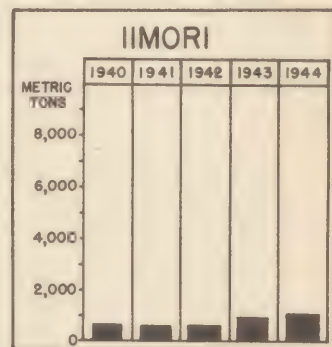
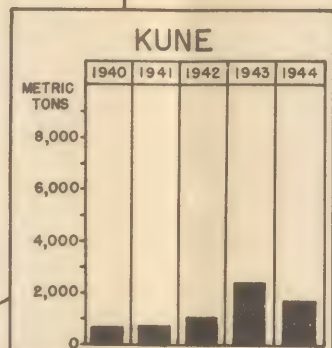
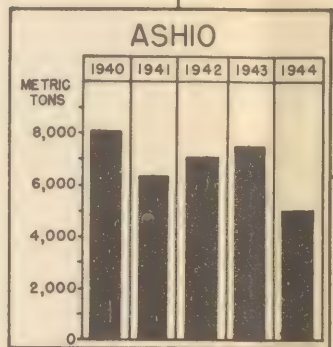
GHQ-SCAP

NUMBER 13

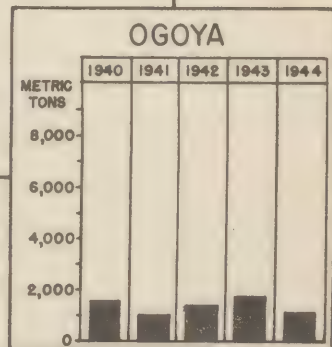
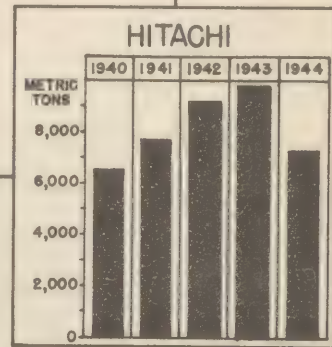
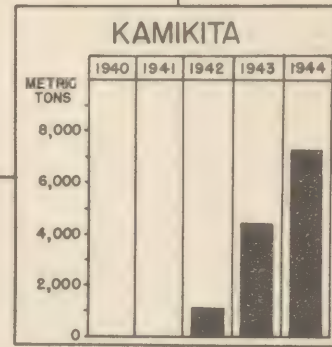
MITSUBISHI



FURUKAWA



NIPPON



COPPER

ORE PRODUCTION BY PRINCIPAL MINES

SOURCE: BASIC MATERIALS DIVISION, U.S. STRATEGIC BOMBING SURVEY
DATA IN METRIC TONS FROM JAPANESE MINING BUREAU

JAPAN

JANUARY 46 GHQ · SCAP NUMBER 14

MANGANESE ORE PRODUCTION, IMPORTS, EXPORTS AND CONSUMPTION

METRIC
TONS

30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46

SOURCE:

All figures 1925-1931 and Imports to 1939,
U.S. Bureau of Mines
Japanese production 1932-1944, U.S. Stra-
tegic Bombing Survey, data from Japanese
Mining Bureau
Japanese Exports 1932-1944, from Japanese
Mining Bureau

■

PRODUCTION

▨

IMPORTS

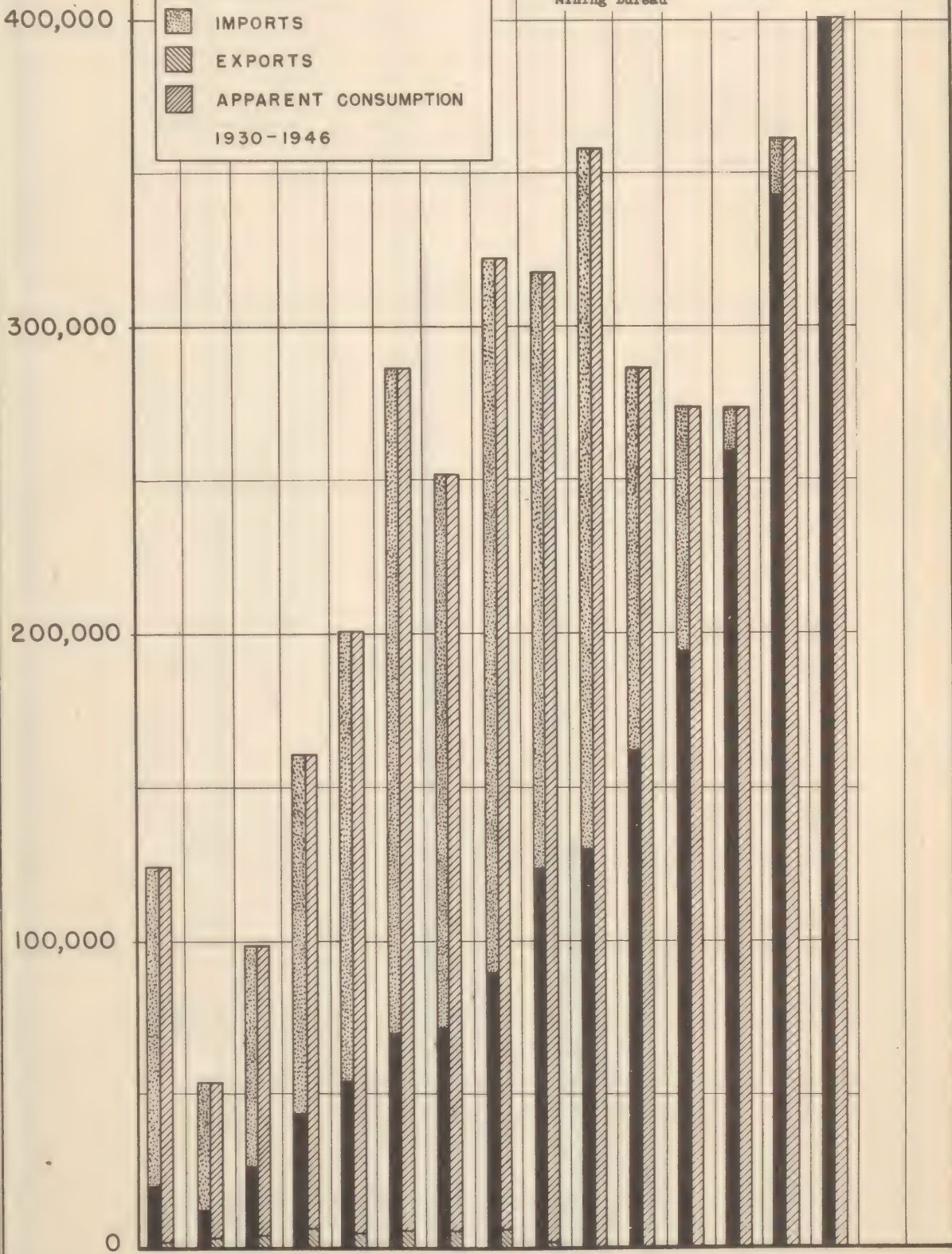
▧

EXPORTS

▩

APPARENT CONSUMPTION

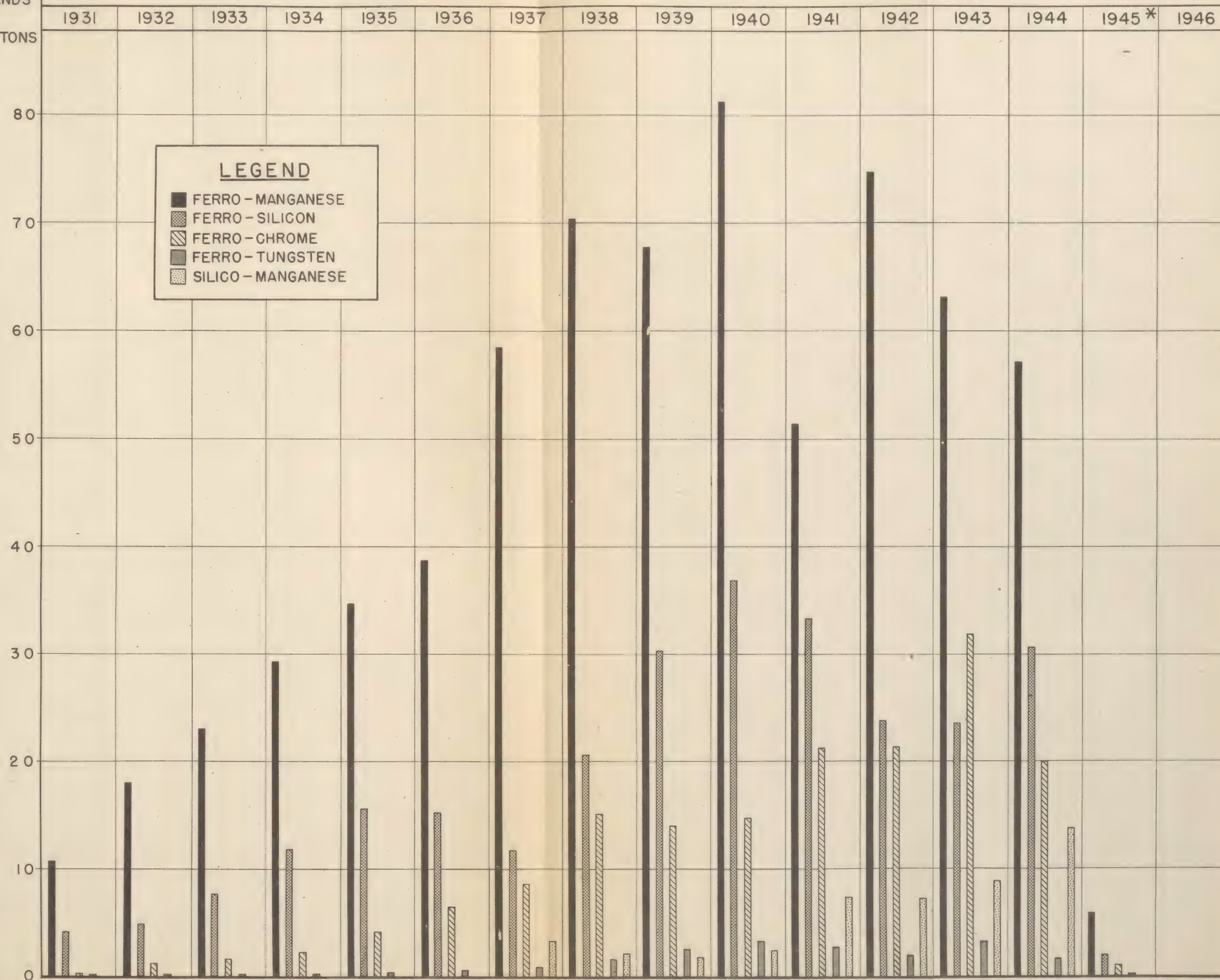
1930-1946



MANGANESE ORE JAPAN

CERTAIN FERRO-ALLOYS PRODUCTION - JAPAN

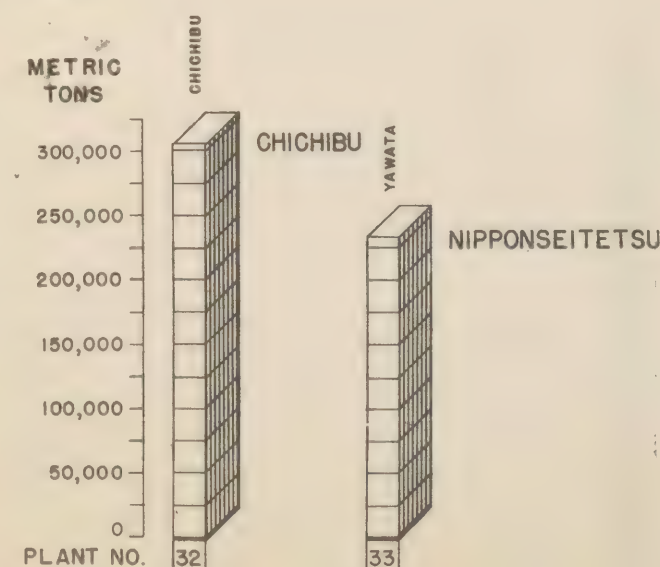
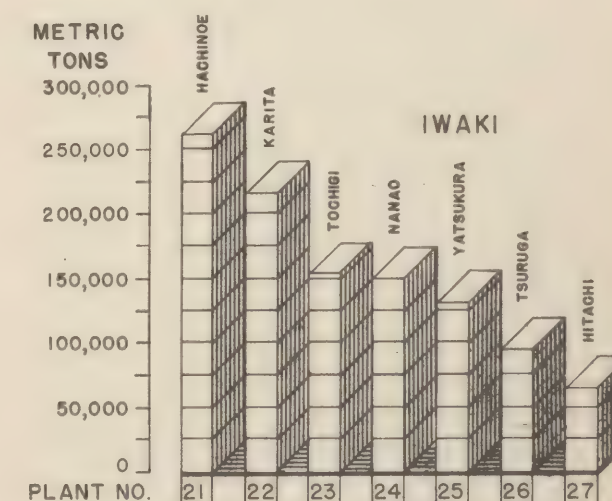
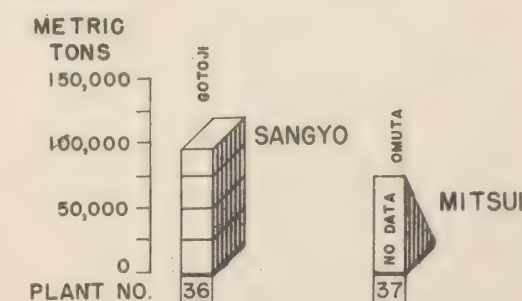
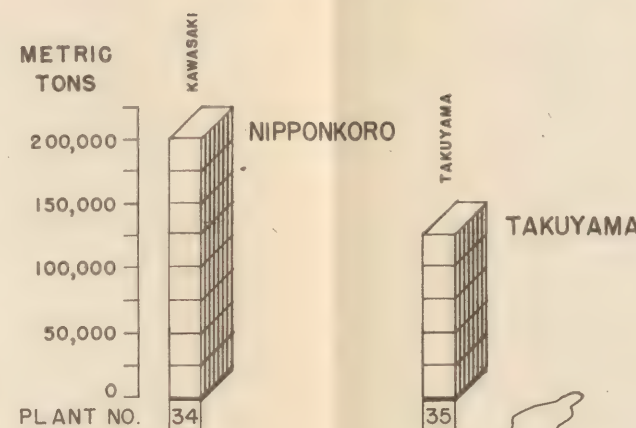
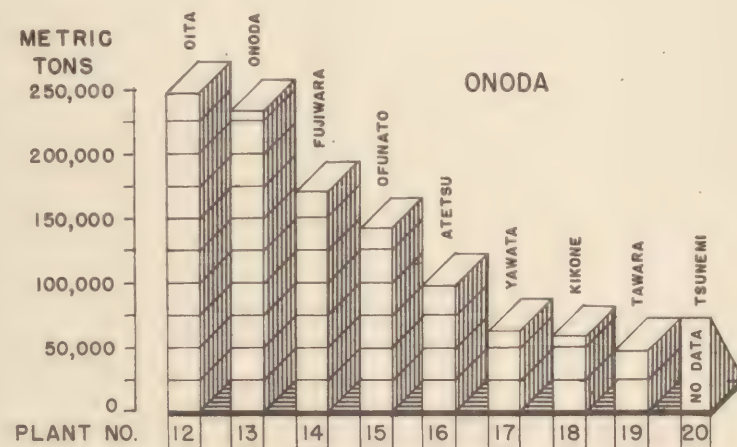
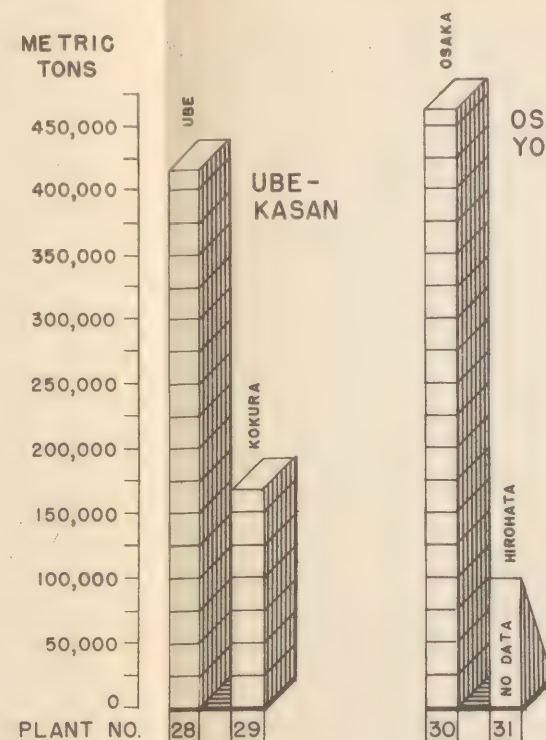
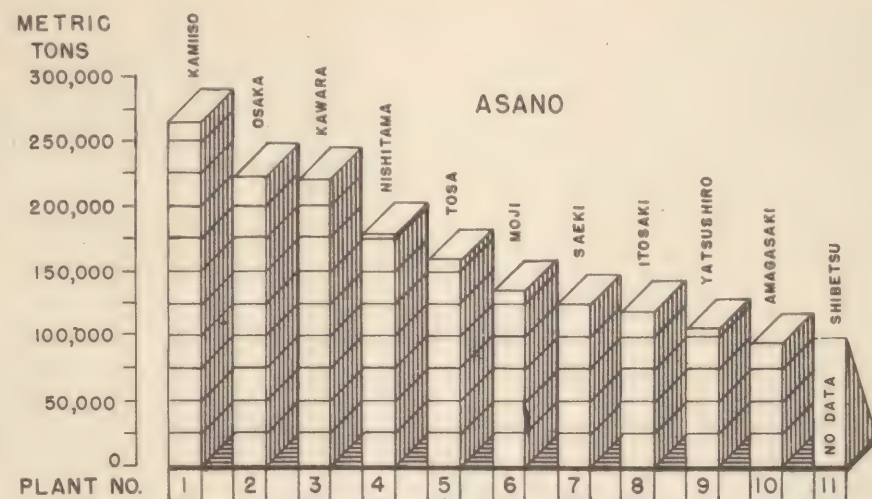
THOUSANDS
OF
METRIC TONS



LEGEND

- FERRO-MANGANESE
- ▨ FERRO-SILICON
- ▧ FERRO-CHROME
- ▩ FERRO-TUNGSTEN
- ▤ SILICO-MANGANESE

SOURCE: MINISTRY OF COMMERCE AND INDUSTRY, BUREAU OF MINING
*: STOCKS AS OF 31 AUGUST 1945



SOURCE: INDUSTRY SECTION OF THE
MINISTRY OF COMMERCE AND INDUSTRY

NOTES : (a) PRODUCTION FIGURES ARE FOR THE CALENDAR YEAR
(b) PLANTS ARE ARRANGED IN COMPANY GROUPS
(c) PLANT NUMBERS ASSIGNED FOR CHART USE ONLY

CEMENT

PLANT LOCATION AND 1940 PRODUCTION

JAPAN

46. Three companies own 27 of the 37 factories. Eleven are owned by Asano Cement Company Ltd., nine by Onoda Cement Company, seven by Iwaki Cement Company Ltd. and the remainder by eight smaller companies.

Types of Cement

47. Four types of cement are manufactured. These are Portland cement, silica cement, slag cement and non-constructive or substitute cement. Both ordinary and high early strength Portland cement are made. Silica cement is composed of about 70 percent portland clinker and about 30 percent volcanic ash. Slag cement is generally a low-quality cement made from blast furnace slag. Non-constructive or substitute cement is made of volcanic ash and is similar to puzzolian cement.

General Condition of the Factories

48. Cement factories suffered little from air raids, but are in need of repair because of lack of maintenance during the war. At present a great shortage of labor exists. Koreans formerly used in the quarries have either left Japan or refuse to work.

During the last quarter of 1945, less than 7,000 metric tons of coal were delivered to cement factories. At the end of December 42,437 metric tons of coal were on hand at factories. This is enough to last through February with production rate at 50,000 metric tons of cement monthly. The Portland Cement Control Association expects January production to be only 30,000 metric tons. Need for coal is as serious as the need for labor.

49. A shortage of paper cement sacks is now being felt and the Japanese have no reliable substitute.

Production and Capacity

50. Total production of cement for 1945 was 1,167,928 metric tons. Of this about 75 percent was Portland cement, 11 percent silica cement, 11 percent slag cement and about three percent non-constructive cement. This is about one-third of pre-war production.

51. Production for the last three months of 1945 was: 39,065 metric tons in October; 53,997 in November; and 64,914 in December. Chart No. 18 shows total production, exports and apparent consumption since 1925.

52. The estimated total capacity for production of cement for 1945 was 3,000,000 metric tons.

Stocks

53. Total stocks as of 31 December 1945 were 134,745 metric tons of clinker and 66,153 metric tons of cement.

Exports

54. Japan had a substantial export trade in the Orient, amounting to more than 20 percent of total production in the middle thirties. No cement was imported.

SAND AND GRAVEL

55. River gravel and sand are plentiful in Japan, especially in the lowland areas where larger cities are located. This type

of deposit furnishes over 90 percent of sand and gravel used for concrete, road surfacing, fill and other construction purposes. Dredges are used in about four percent of operations; in others, hand-loading methods are utilized. Drag lines are not used.

56. Before December 1941, 3,000 gravel companies were in operation; of these, 100 companies operated a total of about 150 dredges. During the war, road repair virtually ceased, and at present only 750 companies are operating; of these, 30 companies operate a total of about 65 dredges. Most dredges are of less than 100 horse power; the average is approximately 50 horse power.

57. The largest number of dredging operations are carried on in Kanagawa, Saitama and Wakayama Prefectures on Honshu, and in Tokushima Prefecture on Shikoku. Dredging is also carried on in Hokkaido and in Miyagi, Ibaraki, Gumma, Tochigi, Tokyo, Toyama, Mie and Hyogo Prefectures on Honshu; in Ehime Prefecture on Shikoku; and in Fukuoka Prefecture on Kyushu.

58. Large natural terrace deposits constitute another source of sand and gravel, especially on Honshu. Gravel and sand pits have been opened by the U. S. Army Engineers in these deposits; the Japanese, on the other hand, prefer river gravels because they are fresher and more resistant to wear and weathering than most terrace gravels.

Because of low freight rates it has been the Japanese practice to ship gravel as far as 50 kilometers by rail. Terrace gravel and sand have been used only in such areas as Chiba Prefecture, where river sand and gravel are not available. Both the river and terrace gravels are composed of resistant rock types, such as fine-grained hard volcanic rocks, chert and quartzite.

59. The sand and gravel business is diffused; it has never been placed under centralized control as is the case with mining. At present gravel operations are supervised by the prefectural governments.

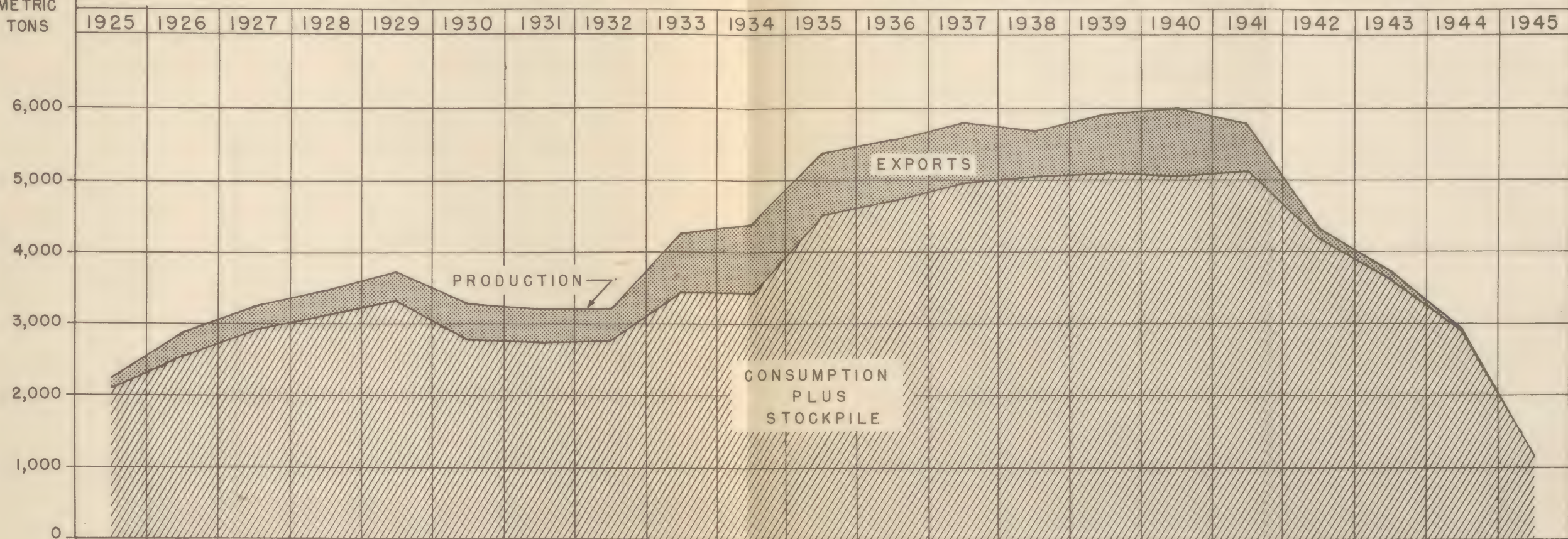
60. The following rivers are the chief sources of sand and gravel in Japan:

SAND AND GRAVEL SOURCES

<u>Island</u>	<u>Prefecture</u>	<u>River</u>
Hokkaido		Yubari Ishikari
Honshu	Ibaraki	Kuji
	Ibaraki	Kinu
	Tochigi	Hata a/
	Tochigi	Akiyama a/
	Saitama	Ara a/
	Tokyo	Tama a/
	Kanagawa	Sagami b/
	Kanagawa	Katsura
	Kanagawa	Sakawa
	Shizuoka	Tenryu
	Gifu	Nagara
	Shiga	Yokota a/
	Kyoto	Kitsu

CEMENT PRODUCTION AND EXPORTS - JAPAN (IN METRIC TONS)

THOUSANDS
OF
METRIC
TONS

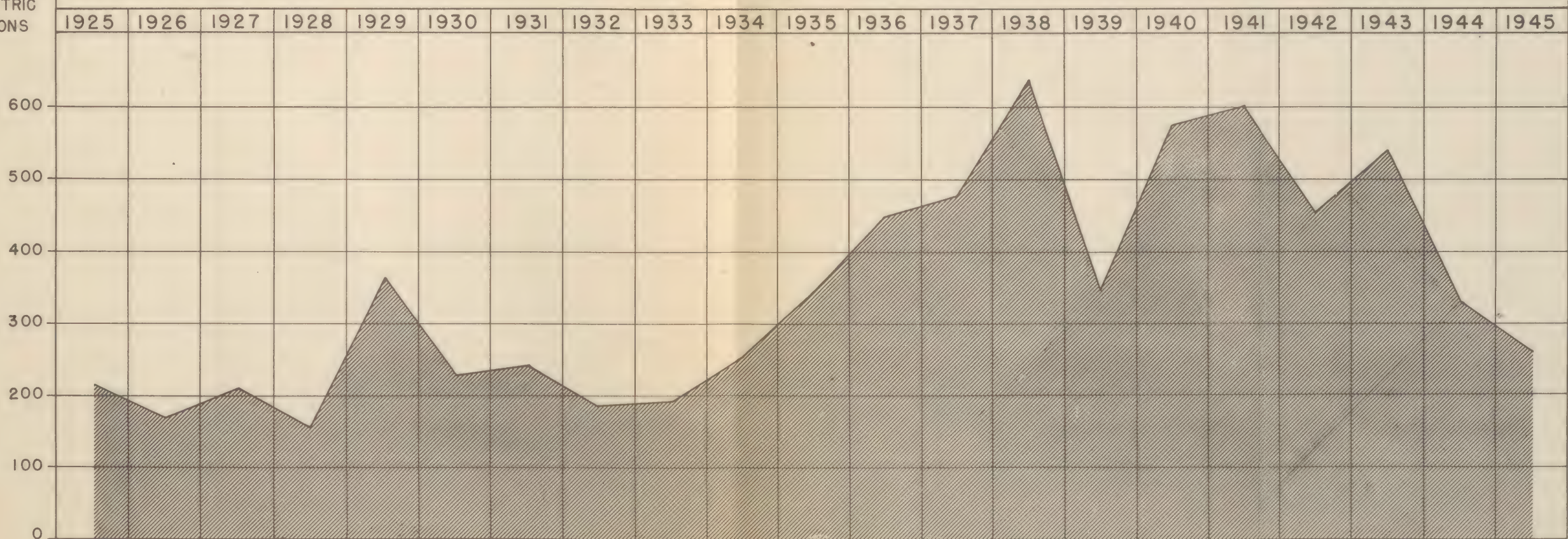


TYPES OF
CEMENT
PRODUCED
IN 1945

3% NON-
CONSTRUCT-
IVE
11% SILICA
11% SLAG

CEMENT AND CLINKER STOCKS - JAPAN (IN METRIC TONS)

THOUSANDS
OF
METRIC
TONS



75%
PORTLAND

SOURCE: MINISTRY OF COMMERCE AND INDUSTRY

NOTE: ALL FIGURES REFER TO STOCKS AS OF THE END OF DECEMBER OF PARTICULAR YEAR

<u>Island</u>	<u>Prefecture</u>	<u>River</u>
Honshu	Wakayama	Kino
	Hyogo	Ibo
	Hyogo	Chikusa
Kyushu	Kumanoto	Midori

a/ Large producers

b/ Largest producer in Japan

SOURCE: Civil Engineering Bureau, Ministry of Commerce and Industry.

CRUSHED ROCK

61. Crushed rock, particularly andesite and granite, is used for base course and road metal on many important Japanese roads and in airfield construction. Its largest use is in Kyushu, where gravel is scarce; in Honshu, Shikoku and Hokkaido the general tendency is to use crushed rock only for those highways which will bear the heaviest traffic, or in the few areas where gravel is not available. At present, because of lack of adequate machinery, little crushed rock is being produced.

62. The Ministry of Commerce and Industry classifies crushed rock in the following six categories, based upon size of fragments: (1) Less than 5 mm; (2) 5 - 10 mm; (3) 5 - 20 mm; (4) 5 - 40 mm; (5) 20 - 80 mm; (6) 80 - 120 mm.

Production in 1943 for the principal crushed-rock producing prefectures of Japan was:

SOURCES OF CRUSHED ROCK IN JAPAN

<u>Prefecture</u>	<u>Rock Type</u>	<u>1943 Production</u> <u>(in cubic meters)</u>
Tokyo and Kanagawa, Honshu	Largely andesite	19,200
Yamanashi, Honshu	Largely granite	108,000
Osaka, "	" "	20,000
Shiman, "	" "	30,000
Aomori, "	" "	47,200
Fukuoka, Kyushu	" "	378,000
Oita, "	" "	47,200

SOURCE: Civil Engineering Bureau, Ministry of Commerce and Industry.

BUILDING STONE

63. Before the war, considerable dimension stone was quarried in Japan all for domestic use. Operations were carried on entirely by small locally-owned companies. Most quarries are on the island of Honshu.

64. The following are the principal building stones produced in order of their importance:

Granite. Quarried in the Inland Sea area, especially near Okayama, Hiroshima and Yamaguchi; also produced in Ibaraki Prefecture.

Rhyolitic tuff (solidified volcanic ash). Quarried in Tochigi Prefecture.

Limestone. Quarried in Gifu Prefecture.

Marble and Serpentine. Quarried in Gifu Prefecture.

Sandstone. Quarried in Fukushima and Chiba Prefectures.

Pumiceous tuff (solidified volcanic ash). Tochigi and Chiba Prefectures are the chief source of this material which is used for facing of buildings. Other sources are southwestern Hokkaido, Northern Aomori Prefecture and Akita, Yamagata, Miyagi, Fukushima and Shizuoka Prefectures. Small-scale operations were carried on in the Inland Sea area and in Kumamoto Prefecture on Kyushu.

65. The greatest demand for stone blocks is for building retaining walls along streams and road cuts. Locally, stream boulders are cut into shape for this purpose. Such crude stone cutting is the only portion of the industry active at present.

WATER RESOURCES

66. Japan's dependence on water for both power and irrigation has made it necessary to maintain river measurement stations on almost every important stream. Data obtained from these stations are used as a basis for operating present hydro-electric plants, planning new hydro-electric developments, dividing available water between power and irrigation interests, operating flood control and diversion structures, planning river improvements and for many other purposes. The stations were operated throughout the war and are still in operation.

67. Several agencies of the Japanese Government are interested in stream gauging programs and each agency operates numerous river measurement stations for specific purposes. Each agency apparently uses different stream gauging procedure. Preliminary studies indicate that little coordination or cooperation exists between these agencies.

68. The development of the water resources of Japan continued at an accelerated rate during the period of preparation for war and during the war. In the years 1938 to 1945, according to the Electric Power Bureau, Ministry of Commerce and Industry, 143 hydro-electric plants were placed in operation with installed capacity in excess of 2,000,000 kilowatts. In addition there were 44 hydro-electric plants with planned capacity of approximately 5,000,000 kilowatts. In Nagano Prefecture alone, 19 plants were constructed during this period.

SECTION 3

INDUSTRY

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Textile Industry.	54
Other Manufacturing	64
Construction.	94
Rubber.	95
Petroleum	96

GENERAL

Reparations

1. Allied custody was established over 394 industrial plants to insure their availability in good condition for reparations. This was the initial measure in the implementation of a reparations program.

Production

2. Industrial production continued to lag with two factors predominating. One was the continued shortage of coal and the other was the week-long New Year's holiday during which many industries were shut down.

3. Coal stocks on hand at the end of January were 1,816,000 metric tons. Safe running stocks are said to be 1,500,000 metric tons. It is expected that stocks will approximate 1,000,000 metric tons by June 1946, after which they should increase. Coal in many stock piles is badly deteriorated and not readily available for industrial uses.

MINERAL INDUSTRIES

Iron and Steel

4. Progress during December and early January was impeded by continued shortages of vital raw materials, particularly coal and coke. Production trends and operating plants are as follows:

IRON AND STEEL PRODUCTION
October-December 1945 a/
(metric tons)

	<u>October</u>	<u>November</u>	<u>December</u>
Pig iron	9,568	7,688	9,036
Steel ingot	8,443	9,603	8,770
Steel material	3,020	6,894	9,495

a/ Third quarter of fiscal year.

SOURCE: Japanese Iron and Steel Council.

PLANTS IN OPERATION
31 December 1945

<u>Products</u>	<u>No. of Plants</u>
Pig iron	3
Ingot steel	2
Ordinary rolled steel	11
Cast steel	78
Special steel	24
Forged steel	0

SOURCE: Japanese Iron and Steel Council.

5. Coke production decreased from 128,000 metric tons in November to 107,000 metric tons in December. January production is not expected to exceed 90,000 metric tons. Future production will depend on the allotment of coal to the iron and steel and illuminating gas industries which are large coke producers.

Light Metals

6. The aluminum industry commenced operation on 25 November 1945. December production was 58,677 kilograms, the only producer being the Nippon Light Metals Company.

Incomplete reports from Japanese Army and Navy inventories indicate that about 150,000 metric tons of aluminum and aluminum alloys exist in Japan, making her self-sufficient in such material for about eight to 10 years.

Magnesium production remains at a standstill.

7. Twenty-two plants rolled 641 metric tons of aluminum and aluminum alloys during December as indicated below:

ROLLING MILL PRODUCTION
December 1945
(metric tons)

<u>Item</u>	<u>Aluminum</u>	<u>Aluminum Alloy</u>	<u>Magnesium</u>	<u>Total</u>
Sheet	502	135	0	637
Wire	<u>3</u>	<u>1</u>	<u>0</u>	<u>4</u>
Total	505	136	0	641

SOURCE: Light Metals Rolling Industry Association.

8. In December 159 plants produced 632 metric tons of aluminum and aluminum alloy castings as compared to a January estimate of approximately 1,000 metric tons. Greatest demand is for household utensil manufacture which had a capacity rate in August 1945 of approximately 6,000 metric tons per year. This was sufficient to provide one pound of aluminum utensils per household per year.

Copper

9. Four of Japan's 14 smelters were in operation during December and produced 370 metric tons of crude copper. The January estimate is about 600 metric tons. Production was limited by lack of coal.

10. Three of Japan's 12 copper refineries operated in December and produced 150 metric tons of electrolytic copper. Approximately 800 metric tons of pure copper is expected to be produced during January.

11. The wire and cable industry operated at about 25 percent capacity during December.

WIRE AND CABLE PRODUCTION AND STOCKS

December 1945 and January 1946

(metric tons)

	<u>Dec Pro-</u> <u>duction</u>	<u>Estimated</u> <u>Jan Pro-</u> <u>duction</u>	<u>Present Ca-</u> <u>capacity of</u> <u>Operating</u> <u>Industry</u>	<u>Stocks of</u> <u>Raw Mater-</u> <u>ials</u>	<u>Stocks</u> <u>of Pro-</u> <u>ducts</u>
Bare wire	513	1,010	2,640	-	805
Weatherproof wire	635	997	2,750	-	891
Magnet wire	301	550	880	-	410
Power cable	135	199	490	-	255
Communication cable	37	258	435	-	52
Copper	-	-	-	9,080	-
Rubber	-	-	-	964	-
Lead	-	-	-	3,771	-
Cotton	-	-	-	408	-
Total	1,621	3,014	7,195	14,223	2,413

SOURCE: Electric Wire and Cablemaker's Association of Japan.

12. The copper and copper alloy rolling industry showed a decided upward trend with 65 plants in operation during December as compared with about 20 in the previous month.

COPPER AND COPPER ALLOY ROLLING INDUSTRY
(metric tons)

<u>Classification</u>	<u>December Production</u>	<u>Present Capacity Working Industry</u>	<u>Products on Hand</u>
Copper			
Sheet	42		183
Pipe	60		196
Rod	21		152
Strip	0		125
Wire	<u>50</u>	<u> </u>	<u>7</u>
Total	173	1,010	663
Brass			
Sheet	103		111
Pipe	22		34
Rod	196		585
Strip	20		0
Wire	<u>90</u>	<u> </u>	<u>102</u>
Total	431	1,799	832
Bronze			
Sheet	8		9
Pipe	0		0
Rod	0		26
Strip	0		0
Wire	<u>3</u>	<u> </u>	<u>4</u>
Total	11	43	39

SOURCE: Copper and Its Alloys Rolling Industry Association.

Zinc

13. In December four of Japan's eight refineries produced 856 metric tons of refined zinc. January output is not expected to exceed that amount. Lack of coal was responsible for continued low production. Stocks of zinc in refineries on 31 December were 5,960 metric tons.

Lead

14. December production of 155 metric tons was approximately five percent of the 1944 monthly average and at the rate of about three and one-half percent of the present estimated yearly capacity of 53,800 metric tons. Stocks of lead at refineries on 31 December totalled 10,430 metric tons.

Ferro Alloys

15. During December 22 plants produced ferro alloys as follows:

FERRO ALLOY PRODUCTION
31 December 1945
(metric tons)

<u>Classification</u>	<u>December Production</u>	<u>Stocks 31 December a/</u>
Ferro manganese (H.C.)	5	814
Ferro-Silicon-manganese	155	1,663
Spregel	230	903
Ferro manganese (L.C.)	<u>56</u>	<u>153</u>
Total	446	3,533
Ferro silicon No. 1	0	220
Ferro silicon No. 2	0	2
Ferro silicon No. 3	0	210
Ferro silicon No. 4	67	95
Ferro silicon No. 5	141	544
Ferro silicon No. 6	<u>18</u>	<u>41</u>
Total	226	1,112
Ferro chrome (H.C.)	0	10
Ferro chrome (L.C.)	<u>30</u>	<u>297</u>
Total	30	307
Ferro vanadium	0	35
Ferro molybdenum	0	2
Ferro tungsten	<u>0</u>	<u>1</u>
Total	0	38

a/ Stocks in operating plants.

SOURCE: Ministry of Commerce and Industry.

MACHINERY INDUSTRIES

16. The acute shortage of coal continued to retard production in the machinery industries.

17. Under a directive of 20 January 1946 Allied authorities took custody of 394 arsenals, military laboratories and aircraft factories to preserve them for reparations.

18. It is believed that nearly all Japanese sources of statistical information regarding Japanese machinery inventories and production capacities have been investigated.

Aircraft Industry

19. Production of any kind was still suspended in most of the aircraft industry's plants.

By 25 January 1946 permits for conversion to the production of essential civilian commodities has been granted to 51 of the 267 major factories. All 51 permits are being reviewed and will be cancelled if the plant is not now engaged in production of commodities immediately essential to the civilian economy.

20. As of 31 December 1945, in compliance with an 18 November directive, all governmental and semi-governmental bodies connected with aircraft were abolished.

21. The December press statement of interim reparations policy recommended that 100 percent of the machinery, machine tools and technical equipment in the Japanese aircraft industry should be available for interim reparations. During January 267 factories previously engaged in the production of aircraft engines, assemblies, propellers and parts were taken under custody and control of the Allied Occupation Forces. These factories constitute 80-90 percent of the productive capacity of the Japanese aircraft industry.

MAJOR JAPANESE AIRCRAFT FACTORIES IN ALLIED CUSTODY
31 January 1946

	<u>Honshu</u>	<u>Kyushu</u>	<u>Shikoku</u>	<u>Hokkaido</u>
Aircraft frame plants	80	7	1	1
Aircraft engine plants	49	0	0	0
Propeller plants	19	0	0	0
Ordnance plants	109	1	0	0

SOURCE: 1. Ministry of Commerce and Industry.
2. Japanese Aircraft Control Associations.

Under Allied supervision the Japanese are providing proper maintenance of all machinery and machine tools in these plants, safeguarding them against theft or sabotage and preventing the unauthorized movement of equipment.

Machine Tools and Precision Bearings

22. Continued uncertainty regarding reparations affecting these industries has retarded the manufacturer's activities. There were organizational changes and output during the month was small.

23. The creation of a new group called the Japan Machine Tool Makers Association is being discussed by 115 members of the present control association. Their stated objectives are to preserve the industry intact within restrictions of Allied policy and to promote technical and production improvements.

24. Individual factories are retaining small working forces to complete partly finished goods in stock. Repair and maintenance of machinery has not been adequate due to shortages of protective lubricants and personnel factors.

25. Under guidance of the Ministry of Commerce and Industry a temporary board has been set up to locate and inventory existing stocks of bearings and to recommend their allocation. Limited production of bearings is continuing but most needs are expected to be filled from holdings in government arsenals and aircraft factories.

26. The Ministry of Commerce and Industry has arranged for allocation of certain precision bearing stocks found in arsenals to fill orders from coal mine operators. Similar action has been taken with copper wire for rewinding motors, wire hoisting cable, rock drills, air compressors and other maintenance or repair items needed at the mines.

Other Machinery

27. Reported installations of machines other than machine tools in Japanese Army Arsenals are:

MACHINES OTHER THAN MACHINE TOOLS a/
31 December 1945

	<u>Units b/</u>
Power hammers	628
Hydraulic presses	441
Other power presses	2,109
Air compressors	378
Powder making machines	198
Bullet making machines	4,334
Locomotives	27
Motor cars and trucks	868
Electric motors	7,585
Electric transformers	5,032
Electric furnaces	664
Wood working machines	851
Hardness testers	841
Toolroom microscopes	180
Impact testers	50
Miscellaneous measuring machines	169

a/ Installed in Japanese army arsenals.

b/ No allowance made for war damage estimated at 10 percent.

28. The Road Section of the Home Ministry has submitted estimates of new equipment required in 1946 and 1947. Major items are:

	1946 <u>Units</u>	1947 <u>Units</u>
Excavating machines	4	8
Pile drivers	16	30
Concrete mixers	115	225
Road rollers	65	130
Concrete rollers	4	7
Asphalt plants	2	4
Bulldozers	4	8
Loaders	4	8
Rock crushers	20	40
Gravel plants	2	4
Well drilling machines	7	13
Boring machines	7	13

SOURCE: Ministry of Home Affairs.

Based on U.S. standards these requirements seem small and indicate both the minor nature of the road network and the great dependence on manual labor for both construction and maintenance.

FOOD PROCESSING INDUSTRIES

Canned Foods

29. Thirty-two of Japan's 310 canneries were in operation during December and produced 17,275 cases (48 pounds per case), chiefly of mandarin oranges, against an estimated monthly capacity for the industry of 1,015,000 cases.

Inability of canners to purchase raw materials economically makes production plans and estimates difficult to formulate. The

Japanese Government has indicated that corrective action will be taken. The shortage of coal and the slack season also account for the limited production.

Employment has increased from month to month as many canneries are engaged in preparing their plants for the approaching canning season.

The following statistics indicate the increase in production.

INDUSTRIAL CANNING
November 1945-January 1946

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
Production (in cases)	9,450	17,275	47,050
Canneries in operation	8	32	--
Employees	4,109	7,412	--

SOURCE: Japan Canned Goods Control Company, Ltd.

Flour Milling

30. December production declined only slightly. Although many small mills exhausted their wheat stocks and closed down, the large modern mills continued to process former Japanese Army and Navy stocks allotted to them by the government. The shortage of flour sacks and bags continued. Wheat in the hands of millers on 31 December totalled 34,940 metric tons.

FLOUR MILLING
November 1945-January 1946

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
Production (metric tons)	32,000	30,343	34,844
Factories in operation	2,500	1,012	--
Employees	7,000	7,046	--

SOURCE: Ministry of Agriculture and Forestry.

Sugar Refining

31. Sugar refining was confined to Hokkaido where three plants were processing sugar beets. December production was hindered by insufficient transportation, heavy snowfalls and continued shortages of labor and fuel. Processing is expected to be discontinued temporarily in February 1946.

SUGAR REFINING
November 1945-January 1946

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
Production (metric tons)	2,213	3,812	1,380
Refineries in operation	3	3	3
Employees	1,219	1,235	--

SOURCE: Ministry of Agriculture and Forestry.

Shoyu (Soy Sauce)

32. Production of finished shoyu declined slightly during December. Production of new shoyu mash continued on a reduced scale due to the scarcity of soy beans and salt. Stocks of raw materials in metric tons as of 31 December included 9,645 of soy beans, 6,786 of wheat and 4,904 of salt, according to the Ministry of Agriculture and Forestry.

SHOYU INDUSTRY November 1945-January 1946

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
Production (metric tons)	38,947	34,345	30,608
Factories in operation	5,874	5,874	--
Employees	16,300	16,900	--

SOURCE: Ministry of Agriculture and Forestry.

33. The use of substitute materials is being studied by the industry. The Noda Shoyu Company has reported experiments which indicate that copra-meal can be utilized in the place of soy beans.

34. Thirty-six of the 53 synthetic shoyu factories were in operation at some time during December producing 629 metric tons. The January estimate is 2,000 metric tons (subject to downward revision) and the estimated monthly capacity for the industry is 23,722 metric tons. Limited output was attributed to continued shortages of salt, hydrochloric acid, soy bean cake, fish meal and wheat flour.

Miso (Bean Paste)

35. Miso production continued to decline in December despite optimistic statements of the industry. This situation was caused by shortages of soy beans and other raw materials coupled with inadequate transportation and erratic delivery service.

Sweet potatoes are being used for the first time, on a limited scale, in the manufacture of miso.

MISO MANUFACTURE November 1945-January 1946

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
Production (metric tons)	24,679	19,998	40,196
Factories in operation	3,981	3,753	--
Employees	23,372	21,837	--

SOURCE: Ministry of Agriculture and Forestry.

Brewing

36. Reasons given for December's 13 percent decline in production were: delays in obtaining allotted raw materials caused by transportation difficulties; shortages of bottles, caps and packing boxes; high prices of raw materials and other supplies.

BEER MANUFACTURE
November 1945-January 1946

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
Production (hectoliters)	89,386	63,803	90,000
Plants in operation	13	13	13
Employees	4,202	3,854	--

SOURCE: Ministry of Finance.

Distilling

37. Other liquors produced include sake, shochu (a distilled gin-like beverage), imitation sake and various wines and whiskies. Their production is controlled through the allotment of raw materials by the government.

38. Sake is produced in greater volume than any other liquor. Its production season is from January through March. Imitation sake is chiefly distilled from sweet potatoes and is artificially flavored. Production is high because it is not necessary to use rice and because of the demand for any kind of sake. During December the government permitted a 10 percent price rise but decreased the allotment of rice for 1946 sake production from 127,500 to 97,500 metric tons.

DISTILLERY PRODUCTION AND STATISTICS
November 1945-January 1946
(hectoliters)

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
<u>Production</u>			
Sake	0	250	27,000
Imitation sake	12,719	11,541	36,000
Shochu	8,414	17,971	54,000
Others (whiskies and wines)	<u>29,995</u>	<u>4,415</u>	<u>16,200</u>
Total	51,128	34,177	133,200
<u>Factories in operation</u>			
Sake	0	843	
Imitation sake	30	33	
Shochu	165	313	
Others	<u>1,290</u>	<u>253</u>	
Total	1,485	1,442	
<u>Employees</u>			
Sake	1,250 ^{a/}	11,757	
Imitation sake	2,231	1,539	
Shochu	1,605	2,971	
Others	<u>2,042</u>	<u>1,256</u>	
Total	7,128	17,523	

^{a/} Maintenance and repair work.

SOURCE: Ministry of Finance.

Confectionery Products

39. December production consisted largely of sweet potato confections. Continued shortages of wheat flour and sugar held production to about four percent of capacity for the industry.

CONFECTIONERY INDUSTRIES November 1945-January 1946

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
Production (metric tons)	1,622	1,908	1,678
Plants in operation	495	595	--
Employees	30,499	26,788	--

SOURCE: Ministry of Agriculture and Forestry.

Dairy Products

40. Shortage of fresh milk kept December production of condensed milk and butter at 14 percent of existing capacity and powdered milk at 55 percent. Cattle fodder is still lacking and civilian demand for fresh milk in producing areas continues to be heavy.

DAIRY PRODUCTS November 1945-January 1946 (metric tons)

	<u>November</u>	<u>December</u>	<u>January</u> <u>(Estimated)</u>
<u>Production</u>			
Condensed milk	247	258	209
Powdered milk	426	395	345
Butter	175	70	154
<u>Factories in operation</u>			
Condensed and powdered milk	52	51	--
Butter	97	97	--
<u>Employees</u>			
Condensed and powdered milk	1,522	1,500	--
Butter	525	390	--

SOURCE: Ministry of Agriculture and Forestry.

CHEMICAL INDUSTRIES

41. Production of basic heavy chemicals averaged about 19 percent of present plant capacities or approximately 14 percent of calculated minimum requirements. Causes were shortages of coal, raw materials (especially salt) and labor, the uncertainty of the effect of reparations and unstable price structure.

It is estimated that chemical production will continue at about the present level until Spring when an increase is expected.

Fertilizers

42. Although the production of fertilizer is nearer its

capacity than any other heavy chemical it is far below minimum requirements. Increasingly accurate data indicate that Japanese estimates have been optimistic.

Field inspections by SCAP personnel disclosed that the Japanese were rehabilitating certain large plants.

Salt

43. Production of critically needed salt continued to be limited by the coal shortage, seasonal restrictions and effects of the typhoon damage. Production was about 12 percent of the 108,000 metric tons considered to be the minimum monthly requirement for food and industry.

Industrial users are operating on existing stock piles supplemented in some cases by small amounts produced within the user's plant.

Soda Industry

44. Only one of four Solvay Process plants was in operation. Production had been restricted by lack of coal and salt and by an unfavorable price for the product. A recent increase in this price from ¥ 1,000 to ¥ 5,000 per metric ton is expected to bring all plants into partial operation. Caustic soda production, particularly by the electrolytic process, is very low.

Other Products and Production Rates

45. The production of coke by-products was negligible. The small coal allocations were used for heating the coke ovens in order to prevent the serious damage which would result from complete shut-downs.

Ethyl alcohol, which is made by fermentation of critically needed foods such as sweet potatoes and corn, is being produced in quantities nearly sufficient to meet immediate medicinal and industrial needs.

CHEMICAL MANUFACTURE

December 1945

<u>Product</u>	<u>December Production</u> (metric tons)	<u>Percent of Present Capacity</u>	<u>Percent of Minimum Requirements</u>
Soda ash	25,500	8	6
Caustic soda	15,300	4	6
Total chlorine	13,600	5	15
Salt	154,000	21	12
Benzene	2,760	5	18
Toluene	144	2	5
Dyestuffs	217	0.6	1
Ammonium sulfate	185,000	36	13
Calcium cyanamide	114,000	50	30
Sulfuric acid (100%) (contact)	48,000	6	8
Sulfuric acid (62.5%) (chamber)	156,000	20	20
Hydrochloric acid	4,030	2	4
Bleaching powder	3,370	2	7
Liquid chlorine	1,418	3	14
Ethanol	27,500	14	66
	(kiloliters)		

SOURCE: Ministry of Commerce and Industry.

TRANSPORTATION EQUIPMENT

Motor Vehicles

46. The automobile industry must now depend solely upon civilian demand since the loss of its greatest customer, the military, which formerly took 85 percent of its output.

47. The sale prices of truck chassis have increased because of increased unit costs which result from low production, higher wages and scarcity of raw materials and fuel. The price trend and cost calculation of truck chassis are indicated below.

TRUCK CHASSIS PRICE a/ October 1940-November 1945 (yen)

<u>Date</u>	<u>Toyota</u>	<u>Nissan</u>	<u>Diesel</u>
Oct 1940	3,409	4,082	-
Dec 1940	-	-	5,500
Mar 1941	4,000	4,300	-
May 1941	-	-	6,200
Dec 1941	4,100	4,400	-
Sep 1942	4,720	4,770	-
Oct 1943	5,350	5,350	-
Jul 1943	-	-	6,650
Jun 1944	6,500	6,500	8,100
May 1945	12,000	12,000	14,500
Sep 1945	23,000	-	-
Nov 1945	22,000	23,000	25,500

a/ Price at factory (without cab and body).

SOURCE: Automobile Control Association.

COST CALCULATION OF TRUCK CHASSIS 1 November 1945 (yen)

<u>Items</u>	<u>Toyota</u>	<u>Nissan</u>	<u>Diesel</u>
Materials	7,792	7,390	11,564
Labor	827	1,260	510
Indirect expense	<u>10,131</u>	<u>10,990</u>	<u>10,707</u>
Total factory cost	18,750	19,640	22,781
Administration expense	<u>878</u>	<u>547</u>	<u>1,819</u>
Total cost	19,628	20,187	24,600
Profit (incl. int.)	<u>2,748</u>	<u>7,436</u>	<u>4,503</u>
Gross total	22,376	27,623	29,103
Price	22,000	23,000	25,500

SOURCE: Automobile Control Association.

48. Present estimated production of Toyota, Nissan and Diesel truck chassis for the January-March 1946 quarter is about one-half of that previously estimated. Under current operating conditions doubt exists as to the ability of the automobile industry to approach even the new forecasted quota.

PROPOSED PRODUCTION OF TRUCK CHASSIS
January-March 1946

<u>Maker</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Total</u>
<u>Previous Forecast a/</u>				
Toyota	450	500	650	1,600
Nissan	300	500	700	1,500
Diesel	<u>150</u>	<u>150</u>	<u>150</u>	<u>450</u>
Total	900	1,150	1,500	3,550
<u>Present Forecast b/</u>				
Toyota	100	300	400	800
Nissan	150	200	300	650
Diesel	<u>30</u>	<u>70</u>	<u>120</u>	<u>220</u>
Total	280	570	820	1,670

a/ Submitted in December 1945.

b/ Submitted in January 1946.

SOURCE: Automobile Association.

ACTUAL PRODUCTION OF TRACTORS
October-December 1945

<u>Maker</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Hino Jukogyo	0	0	0	0
Ikegai Jidosya	0	0	0	0
Mitsubishi Jukogyo (Tokyo Kiki)	0	0	0	0
Kubota Tekko	0	0	10	10
Kanegafuchi Diesel	5	7	8	20
Kato Seisakusyo	0	0	0	0
Komatsu Seisakusyo	0	0	10	10
Kobe Seikosyo	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	5	7	28	40

SOURCE: Automobile Association.

TRACTOR PRODUCTION PLANS
January-March 1946 a/

<u>Maker</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Total</u>	<u>Description</u>
Hino Jukogyo	0	0	0	0	
Ikegai Jidosya	0	0	5	5	3 ton
Mitsubishi Jukogyo (Tokyo Kiki)	0	0	30	30	3 ton
Kubota Tekko	10	15	20	45	8 ton
Kanegafuchi Diesel	10	10	15	35	10 ton
Kato Seisakusyo	5	30	40	75	4 ton
Komatsu Seisakusyo	25	40	45	110	G-40 type
Kobe Seikosyo	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total	50	95	155	300	

a/ Last quarter of fiscal year.

SOURCE: Automobile Association.

PROPOSED PRODUCTION OF BATTERY CARS
January-March 1946 a/

<u>Maker</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Total</u>
Nihondenki	30	30	40	100
Nakajima	<u>10</u>	<u>20</u>	<u>20</u>	<u>50</u>
Total	40	50	60	150

a/ Last quarter of fiscal year.

SOURCE: Automobile Association.

PROPOSED PRODUCTION OF
THREE WHEEL MOTOR CARS AND MOTORCYCLES
January-March 1946 a/

<u>Maker</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Total</u>	<u>Description</u>
Hatsudoki Seizo	70	100	150	320	3 wheel
Toyo Kogyo	30	60	80	170	3 wheel
Nihon Nainenki	0	0	0	0	
Riyuo Nainenki	0	30	50	80	3 wheel
Teikoku Seiki	0	0	20	20	3 wheel
Miyata Seisakusyo	<u>0</u>	<u>0</u>	<u>15</u>	<u>15</u>	Motorcycle
Total	100	190	315	605	

a/ Last quarter of fiscal year.

SOURCE: Automobile Association.

49. The Ministry of Home Affairs is making an investigation to determine the present total number of motor vehicles in Japan by type, make and age which are actually in use and those capable of use or repair. The Automobile Bureau of the Ministry of Transportation is currently investigating by radio and press the probable future public demand for automobiles in all categories.

The purpose of these studies is to determine the potential market for automobiles within Japan.

Railway Rolling Stock

50. The recovery of both government and private railway systems is affected by coal and material shortages, failure to recover from the post-surrender apathy and lack of certain skilled workers.

51. During December four steam locomotives, five passenger cars and 225 freight cars were constructed for government-owned railways.

Shipbuilding

52. In August 1945 there were 123 steel ships of 373,030 gross tons under construction, of which 48 (totalling 141,170 gross tons) had been launched. From 15 August 1945 to 15 January 1946 nine ships aggregating 16,970 gross tons were launched and 13 ships aggregating 41,000 gross tons were completed. There are 13 major shipyards operating on a 24 hour per day basis, while eight are operating 16 hours per day and others from nine to 12 hours per day. The ship-

yards are still handicapped by shortage of labor, damaged equipment and mined harbors and approaches to docks.

53. Construction of wooden ships is being hampered by the lack of wood of the proper quality. Most of this wood was normally imported. From 15 August 1945 to 15 January 1946 20 wooden ships aggregating 3,700 gross tons were launched and 28 wooden ships aggregating 5,850 gross tons were completed.

TEXTILE INDUSTRY

General

54. Textile production figures, though showing an increase in some phases, were still very low and some textile manufacturing came almost to a standstill.

SPINNING PRODUCTION November-December 1945 (thousands of pounds)

<u>Yarn Classification</u>	<u>November</u>	<u>December</u>
Cotton and mixtures		
Pure cotton yarn	1,533	1,595
Mixed	62	238
Staple fiber yarn	408	461
Others	<u>665</u>	<u>660</u>
Total	2,668	2,954
Silk and rayon		
Spun silk	97	57
Staple fiber and silk	—	—
Mixed	7	8
Noil	38	34
Rayon pulp	515	84
Rayon	292	277
Staple fiber (not spun)	<u>1,234</u>	<u>1,063</u>
Total	2,183	1,523
Woolen and worsted		
Worsted	166	252
Woolen	<u>911</u>	<u>1,168</u>
Total	1,077	1,420
Hard fibers		
Jute	232	94
Flax)		
China grass)	87	461
Rope	4,373	2,640
Cord	470	278
Fish net twine	<u>16</u>	<u>15</u>
Total	5,178	3,488

SOURCE: Japan Textile Association.

WEAVING PRODUCTION
November-December 1945
(thousands of square yards)

<u>Fiber or Product</u>	<u>November</u>	<u>December</u>
Throstle spun yarn <u>a/</u>	348	184
Worsted)		36
)	1,351	
Woolen)		348
Flax and hemp	33	291
Cotton	4,999	3,305
Rayon	2,240	2,816
Silk (spun and raw)	3,684	4,397
Staple fiber	1,944	6,054
Regenerated <u>b/</u>	<u>265</u>	<u>284</u>
Total	14,864	17,715

a/ Throstle spun yarn is made largely from waste flax, ramie and cotton.

b/ Regenerated yarns are made from waste cotton, flax, ramie and wool fibers. These yarns are used as substitutes for cotton yarn.

SOURCE: Japan Textile Association.

MANUFACTURED GOODS PRODUCTION
November-December 1945

<u>Product</u>	<u>Unit</u>	<u>November</u>	<u>December</u>
Undershirts	doz	17,795	57,625
Stockings	doz pr	80,243	204,656
Gloves	doz pr	56,632	101,458
Sewing thread			
Silk	lbs	24,736	27,729
Cotton	lbs	437,301	134,556
Rayon	lbs	3,700	11,000
Ready-made clothing			
Working clothing	pcs	242,619	7,998,579
Street and house clothing	pcs	49,188	245,449
Kimonos	pcs	167,335	92,737
Underwear, shirts, etc.	pcs	666,068	2,945,998
Secondary school uniforms	pcs	142,561	-
Footwear	pr	2,622,127	1,690,506
Fish netting			
Cotton	lbs	88,657	89,312
Manila hemp	lbs	9,517	-
Silk	lbs	174	370
Sundry goods (lace, tape, etc.)	lbs	1,059,783	2,015,752

SOURCE: Japan Textile Association.

MILL STOCK
November-December 1945
(thousands of pounds)

<u>Fiber</u>	<u>November</u>	<u>December</u>
Pure cotton	13,200	10,861
Staple fiber <u>a/</u>	3,951	4,078
Rayon pulp)	7,762	
Rayon)		22,785
Staple fiber <u>b/</u>	9,956	9,997
Spun silk	11,594	712
Worsted	657 <u>c/</u>	923 <u>c/</u>
Woolen	823 <u>c/</u>	1,106 <u>c/</u>
Jute	1,442	1,578
China grass	4,552	6,878
Flax	3,531	5,388
Rope	801	800
Other hard fibers	2,375	4,703

a/ At the cotton mill.

b/ At the rayon plant.

c/ Includes stock on the market.

SOURCE: Japan Textile Association.

YARN STOCKS
November-December 1945
(thousands of pounds)

	<u>Yarn in Mill</u>		<u>Yarn on Market</u>	
	<u>November</u>	<u>December</u>	<u>November</u>	<u>December</u>
Cotton and mixtures				
Pure cotton	6,138	6,677	3,278	3,110
Mixed (1/3 staple fiber)	1,056	954	728	804
Mixed (1/2 staple fiber)	160	84	2	2
Staple fiber	1,925	1,985	1,287	26
Others	2,544	1,643	252	118
Silk and rayon				
Spun silk	423	449	1	1
Mixed	99	34	7	7
Noil	343	189	-	-
Woolen and worsted				
Worsted <u>a/</u>	-	-	-	-
Woolen <u>a/</u>	-	-	-	-
Hard fibers				
Jute	3,204	265	-	-
China grass)	2,232	1,208	-	-
Flax)			-	-
Rope	1,027	2,254	-	-

a/ Included in preceding table (MILL STOCK) because the association's stocks were intermingled.

SOURCE: Japan Textile Association.

Raw Silk

55. Reeling capacity is inadequate and at least 20,000 additional basins, including 3,655 which are restorable, will be needed to handle the 1946 cocoon production estimated at 23,000,000 kin (one kin equals 1.3 pounds). This is sufficient to produce about 190,000 bales of raw silk. Other shortages were food for workers and coal for use in boiling cocoons.

SILK REELING INDUSTRY

	<u>Factories</u>	<u>Basins</u> <u>(Multiple-thread)</u>
Peak capacity (1929)	3,719	251,520
Pre-war capacity (1941)	1,027	150,845
War damaged or scrapped	867	129,045
In operation	160	21,800

SOURCE: Ministry of Commerce and Industry.

56. Estimated silk reeling production was revised downward as shown by the following plan submitted during January 1946:

RAW SILK REELING CAPACITY AND MONTHLY FORECAST June 1945-May 1947

	<u>Increase</u> <u>in Basins</u>	<u>Basins in</u> <u>Operation a/</u>	<u>Percent of</u> <u>Operation</u>	<u>Factories in</u> <u>Operation</u>	<u>Bales</u> <u>Produced</u>
Jun 45	-	24,084	64.9	175	5,542
Jul 45	-	22,889	65.2	165	7,854
Aug 45	-	22,673	65.4	163	6,629
Sep 45	-	21,800	70.0	160	7,301
Oct 45	-	21,800	70.0	160	7,186
Nov 45	-	21,800	70.0	160	5,680
Dec 45	-	21,800	70.0	160	5,220
Jan 46	355	21,800	70.0	160	2,270
Feb 46	1,560	22,155	70.0	162	5,305
Mar 46	3,598	23,715	70.0	170	6,173
Apr 46	2,433	27,313	70.0	188	7,110
May 46	2,776	29,746	75.0	198	8,628

Total for 1945 silk year
Previous report

74,898 bales
83,172 bales b/

Jun 46	1,556	32,522	70.0	204	7,787
Jul 46	1,450	34,078	75.0	215	12,076
Aug 46	1,400	35,528	75.0	225	12,500
Sep 46	1,650	36,928	85.0	235	14,831
Oct 46	1,650	38,578	85.0	245	15,494
Nov 46	1,200	40,228	85.0	255	16,157
Dec 46	1,516	41,428	70.0	260	11,672

Total for 1946 calendar year
Previous report

120,093 bales
133,940 bales b/

	<u>Increase in Basins</u>	<u>Basins in Operation a/</u>	<u>Percent of Operation</u>	<u>Factories in Operation</u>	<u>Bales Produced</u>
Jan 47	-	42,944	70.0	269	10,521
Feb 47	-	42,944	70.0	269	12,099
Mar 47	-	42,944	80.0	269	13,527
Apr 47	-	42,944	80.0	269	14,067
May 47	-	42,944	80.0	269	14,609

Total for 1946 silk year
Previous report

155,430 bales
177,890 bales b/

a/ Multi-thread basins.

b/ Report submitted during December 1945.

SOURCE: Ministry of Commerce and Industry.

57. The monthly report of the raw silk industry discloses that January production was about 50 percent below that of the previous month. This was attributed to the long New Year holiday.

MONTHLY REPORT ON RAW SILK January 1946

<u>Item</u>	<u>Dec 45</u>	<u>Jan 46</u>	<u>Feb 46 (Estimated)</u>
Reeling basins in operation	21,800	21,800	21,800
Reeling plants in operation	160	160	160
Raw silk produced (bales)	5,220	2,270	5,305
Short fiber machines in operation	2,025	-	-
Short fiber plants in operation	35	-	-
Short fiber produced (1,000 pounds)	500	-	-
Cocoons on hand, end of month (1,000 pounds)	101,300	97,150	90,150
Raw silk inspected and re-checked for export (bales)	4,500	8,800	14,000

SOURCE: Ministry of Commerce and Industry.

Knitting and Hosiery

58. Production of knitted undershirts, stockings and gloves increased in December but the industry was operating at only 10 percent of capacity. This was primarily due to shortages of cotton and other raw materials. There is a continued scarcity of skilled labor, spare parts and knitting needles.

The stress on heavyweight materials in recent years led to the scrapping of most fine gauge machines and no new machines have been installed by the industry since 1938.

In December all knitted items showed an increase in production over November's output.

Rayon and Staple Fiber

59. December rayon production of 277,000 pounds was only 3.6 percent of present capacity due largely to a scarcity of caustic soda, pulp and coal.

Staple fiber production for December was 500 short tons or about five percent of existing capacity.

According to the Japan Textile Association the following principal materials, expressed in metric tons, are needed to bring present equipment into full operation: 65,000 of rayon pulp, 729,000 of coal, 47,000 of caustic soda, 102,000 of salt, 17,000 of carbon disulfide and 57,000 of sulfuric acid.

60. When full production is achieved the annual fabric output will approximate 336,000,000 square yards.

Wool

61. On the basis of information now available it is indicated that in September 1945 raw wool totalled 174,060 bales (300 pounds per bale). About 4,650 bales were used during the remainder of 1945 leaving about 169,410 bales as of 1 January 1946

It is estimated that approximately 400,000 bales can be consumed during the current year. The stock on hand of 169,410 bales plus an estimated annual production of 3,500 bales will leave a deficit of approximately 227,000 bales of raw wool to be imported to supply the need in 1946.

Cotton

62. In former years cotton spinning was a major industry with yearly production of 1,000,000 short tons, about half of which was exported as finished goods. Current yearly capacity is about 350,000 short tons. Actual rate of production is dependent upon the availability of raw materials which has led to application for imports sufficient to maintain the current output. The industry is further hampered by labor unrest, lack of working capital, scarcity of good equipment and the inflationary economy.

63. The current domestic demand for cotton fabrics is high, while domestic stock piles are being depleted rapidly.

OTHER MANUFACTURING

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Optical Glass and Optical Instruments

64. Optical glass is not being produced because of the extensive stock on hand. This stock is mostly high dispersion glass. During the next two years an additional five to 10 metric tons of special low dispersion glass will be needed for civilian instruments.

65. The production of cameras and binoculars to meet the demand for sales through the Army Exchange Services continues.

66. The Japan Optical Industrial Co., Ltd., which produces about half of the optical instruments in Japan, reported the following production for November and December 1945:

BINOCULAR PRODUCTION November and December 1945

<u>Month</u>	<u>Quantity</u>	<u>Value (yen)</u>
November	734	132,420
December	195	54,430

The large production for November resulted from the completion of semi-finished binoculars in stock.

Sheet Glass

67. The trend of window glass production and consumption is outlined in the following table:

WINDOW GLASS STATISTICS

1936-1945

(cases) a/

<u>Year</u>	<u>Production</u>	<u>Domestic Consumption</u>
1936	3,936,662	3,663,662
1937	4,689,574	4,360,574
1938	3,899,808	3,660,808
1939	3,778,978	3,349,978
1940	4,648,220	4,263,220
1941	3,685,183	3,288,183
1942	2,877,879	2,837,879
1943	2,450,237	2,450,237
1944	883,809	883,809
1945	292,662	62,925

a/ Case - 100 square feet.

SOURCE: Ministry of Commerce and Industry.
Japan Sheet Glass Control Association.

68. Only one of Japan's five sheet glass factories was active in January 1946. One plant which operated in December was forced to suspend production for lack of coal.

Present estimated capacity of the industry is 150,000 cases per month as compared to a monthly potential of 500,000 cases. Production since the beginning of the occupation was:

SHEET GLASS PRODUCTION

September 1945-January 1946

(cases) a/

<u>Month</u>	<u>Amagasaki Plant</u>	<u>Futashima Plant</u>
September 1945	-	8,145
October 1945	-	30,850
November 1945	11,583	29,926
December 1945	15,000	30,000
January 1946	15,000	-

a/ Case - 100 square feet.

SOURCE: Japan Sheet Glass Control Association.

Glassware

69. In 1938 Japan had 1,080 factories with a combined yearly production capacity of 506,400 metric tons. In order to conserve raw materials and meet essential production quotas the plants were rearranged in 1941 and 1943 and their number reduced to 180 with a total yearly capacity of 156,300 metric tons.

Present average monthly production is 1,500 metric tons as compared to an estimated 1946 market of 181,000 metric tons including 150,000 metric tons of bottles and containers.

Only three of the 40 bottle and container plants are in operation. Other products being produced on a limited scale include electric bulbs, items for signal lamps and medical and household ware.

Ceramics

70. Some of the small porcelain and chinaware plants are using wood fuel and making low-fire domestic ware. The majority of the 2,500 plants is undergoing repair and collecting raw materials and fuel with the expectation of resuming operations in the Spring. The larger plants are seeking contracts for manufacture of souvenirs and necessary items such as sanitary ware and hotel chinaware.

Brick

71. Forty-eight of the 362 brick factories employ upwards of 30 workers each. As of 31 December 6,425 persons were employed in all active plants. Present production figures are not yet available but the All-Japan Brick Industry Control Union estimates that 300,000,000 bricks could be made in 1946 against an estimated domestic demand for more than 380,000,000 bricks. The market price per brick has risen from ¥ 0.035 to ¥ 0.30 since 1940.

Roofing Tile

72. This industry is composed of a large number of small factories widely scattered throughout Japan. The capacity of the industry in 1941 was about 400,000,000 pieces per year. Estimated 1946 requirement is 300,000,000 pieces. Production declined in recent years due to a shortage of fuel which is consumed at the rate of one metric ton of coal and three metric tons of wood per 1,000 pieces.

ROOFING TILE INDUSTRY 1942-1946

<u>Year</u>	<u>Number of Plants</u>	<u>Number of Workers</u>	<u>Production</u>	
			<u>Pieces</u>	<u>Value (yen)</u>
1942	7,658	30,918	387,000,000	48,375,000
1943	7,459	25,608	303,000,000	60,600,000
1944	7,257	18,919	152,500,000	53,375,000
1945	6,905	15,264	71,280,000	35,640,000
1946 (est.)	-	-	59,601,000	80,641,000

Domestic requirement for 1946 - 300,000,000 pieces.

SOURCE: The All-Japan Clay-Tile Controlling Association.

Vitreous Enamel

73. The present production of enamelware is confined to household items. In former years Japan produced kitchenware, sanitary ware, chemical ware and signs for domestic use and export. In recent years the production of such items was limited by the shortage of iron.

There are 29 enamelware plants in Japan of which 19 are either in operation or preparing to begin operations. The remaining 10 plants were damaged during air raids and are now being restored and preliminary plans indicate production in the latter part of 1946.

74. The Nippon Enamel Ironware Control Union estimates that 20,280 metric tons of enamelware will be manufactured during 1946, of which about 30 percent would be available for export. This production would require 101,400 metric tons of coal. Estimated 1946 production is 25,050,000 wash basins, 33,500,000 cooking dishes, 2,012,000 tea pots, 1,780,000 lunch boxes and 848,000 rice boilers.

Refractory Industry

75. The refractory industry is now operating on a small scale. The Ministry of Commerce and Industry reported that on 15 January 1946 162 plants were in operation employing 10,794 workers. Capacity of the industry is about 118,500 metric tons per month.

REFRACTORY PRODUCTION October-December 1945 (metric tons)

	<u>October</u>	<u>November</u>	<u>December</u>
Fire clay	9,129	9,810	10,481
High alumina	402	434	390
Silica	2,921	1,666	1,549
Chrome	89	33	25
Magnesia	332	170	38
Forsterite	-	-	-
Corhart black	-	-	18
Corhart white	-	-	22
Total	12,873	12,113	12,523

SOURCE: Ministry of Commerce and Industry.

Handicraft Industries

76. The various handicraft industries are so numerous and scattered that it is difficult to assemble accurate data.

77. The manufacture of shippo or cloisonne requires three to six months. The Occupation Forces in the areas of production are purchasing this item almost as quickly as made.

Recent summaries by the Board of Trade of the Ministry of Commerce and Industry indicate a potential annual production of shippo and lacquer ware of over ¥ 70,000,000 provided that approximately 191,085 kilograms of lacquer, 2,082,640 grams of gold and 2,655,783 grams of silver are available. The exact quantities of these items in the hands of the manufacturers are unknown.

Recently lacquer was found in large quantities at a former aircraft factory and is being released by the Occupation Authorities for the manufacture of lacquered wares for sale in Army exchanges throughout Japan.

78. Wajima lacquer ware, a product of Ishikawa Prefecture, is scheduled for a sizable increase in output. The expected annual production, as reported by the Asahi Shimbun (Osaka), may reach ¥ 80,000,000, or 10 times the prewar yen valuation. This estimate appears optimistic in view of the limited stocks of fuel and precious metals anticipated for release.

Pulp and Paper

79. The gradual decline in pulp production was attributed primarily to the decrease in coal allotments to the industry.

PRODUCTION OF PULP October-December 1945 a/ (short tons)

	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Rayon pulp	701	262	43	1,006
Chemical pulp	5,980	5,727	5,075	16,782
Mechanical pulp	<u>13,978</u>	<u>13,662</u>	<u>8,659</u>	<u>36,299</u>
Total	20,659	19,651	13,777	54,087

a/ Third quarter of fiscal year.

SOURCE: Oji Paper Company.

The production of various types of papers for December 1945:

PAPER PRODUCTION December 1945 (short tons)

<u>Kind</u>	<u>Quantity</u>
Foreign style paper	
News print	5,048 <u>a/</u>
Paper board	2,414 <u>b/</u>
Printing paper)	
Writing and drawing paper)	
Coated paper)	6,160 <u>b/</u>
Wrapping paper)	
Cigarette paper)	
Sub-total	13,622
Japanese style paper	
Machine-made	1,389 <u>b/</u>
Hand-made	<u>116</u> <u>b/</u>
Sub-total	1,505
Grand total	15,127

a/ All produced by Oji Paper Company.

b/ Total from estimates submitted by various manufacturers.

SOURCE: Oji Paper Company.

Candle Industry

80. The major candle manufacturing companies suffered practically no damage during the war. The number of workmen averaged 645 in 1941 and 458 in 1945. The trend of production has been sharply downward since the peak year of 1940 because of the shortage

of basic raw materials.

CANDLE PRODUCTION
1930-1945
(pounds)

<u>Year</u>	<u>Basic Components</u>		<u>Total</u>
	<u>Stearic Acid</u>	<u>Paraffin</u>	
1930	3,016,121	12,064,484	15,080,605
1931	3,592,090	10,776,268	14,368,358
1932	5,351,514	12,486,868	17,838,382
1933	8,712,187	16,179,780	24,891,967
1934	7,467,859	10,650,940	18,118,799
1935	8,525,409	10,419,945	18,945,354
1936	12,742,584	11,762,389	24,504,973
1937	16,436,780	12,969,683	29,406,463
1938	19,525,293	18,136,211	37,661,504
1939	17,965,621	15,912,763	33,878,384
1940	23,902,380	19,556,092	43,458,472
1941	16,199,400	16,860,600	33,060,000
1942	14,149,680	12,593,656	26,743,336
1943	5,064,792	9,470,588	14,535,380
1944	2,049,720	2,093,800	4,143,520
1945	551,000	506,920	1,057,920

SOURCE: Nippon Candle Control Association.

The Japanese Government has allotted the majority of candles to prefectures where electricity is scarce or thermal operation of electric plants is reduced.

Match Industry

81. Of the former 68 major pre-war match manufacturers, only 34 remain. Fourteen of the largest plants were destroyed by fire incident to bombing raids and 20 have abandoned production. Some of the latter concerns are rebuilding their plants in anticipation of an early resumption of manufacture.

Exclusive of home production the industry in 1941 employed an average of 4,657 persons as compared to 1,683 persons in 1945.

82. The following table discloses a downward production trend in recent years.

MATCH PRODUCTION AND
PARAFFIN CONSUMED BY MATCH INDUSTRY
1930-1945

<u>Year</u>	<u>Product</u> <u>(match ton) a/</u>	<u>Paraffin</u> <u>(pounds)</u>	<u>Year</u>	<u>Product</u> <u>(match ton) a/</u>	<u>Paraffin</u> <u>(pounds)</u>
1930	429,127	3,862,143	1938	441,004	3,969,036
1931	400,945	3,608,505	1939	423,823	3,814,407
1932	397,405	3,576,645	1940	428,739	3,840,651
1933	473,577	4,262,193	1941	414,919	3,734,271
1934	501,986	4,517,874	1942	355,974	3,203,766
1935	526,701	4,740,309	1943	250,381	2,253,429
1936	495,639	4,460,751	1944	187,421	1,686,789
1937	456,416	4,107,744	1945	99,016	891,144

a/ A match ton is 600 small boxes of matches.

SOURCE: The Match Control Company, Ltd.

Containers

83. The use of containers such as cans, bottles, paper cartons and boxes is less widespread than in the United States. The use of standardized fiber cartons and fancy packages is largely confined to the urban areas. Most commodities are transported in crude boxes, rice-straw bags or casks.

In 1939 about 14,854,000 cases of tin cans (48 cans per case) were manufactured as compared to present production capacity of 12,500,000 cases.

Production of tin cans is confined to six plants which are operated by two companies. Estimated present investment is ¥ 112,000,000. Automatic can-making machines of foreign design are employed in three of the plants while Japanese made machines, modelled after American equipment, are used in the other three plants.

At present five factories are in limited production. The program for 1946 calls for the manufacture of 2,640,000 cases of cans requiring 12,600 metric tons of tin plate. Of this total, 840,000 cases are to be used for condensed and powdered milk, while 1,800,000 cases are to be used for canning agricultural and marine products.

84. The manufacture of paper containers is carried on by one company, the Tayo Seikan Company, which is also the chief producer of tin cans. Many types of containers are manufactured varying in size from 15 mm. to 220 mm. in diameter and 95 mm. to one meter in length. Six plants, representing a present estimated investment of ¥ 10,735,000 and using American equipment, are engaged in the manufacture of these items. Annual production capacity is 6,451,200 pounds of paper containers. In 1946 the manufacture of 1,881,600 pounds of containers is planned.

85. Glass containers manufactured in Japan include bottles for beer, liquor, soft drinks, soy sauce, milk, ink, medicines and mayonnaise. Glass food containers with vacuum seal caps are also manufactured.

There are 40 glass container factories, representing an estimated present investment of ¥ 60,000,000 and possessing an annual productive capacity of about 132,000 metric tons. The industry suffered 30 percent war damage. Equipment in many of the plants is modern and includes about 100 American automatic bottle making machines. At present there is limited production due to shortage of raw materials and fuel.

Oils and Fats

86. In former years the production of vegetable and fish oils and fats was a large scale industry. Over ¥ 100,000,000 is now invested in 325 vegetable oil factories and in 6,306 fish and chrysalis oil plants.

The vegetable oil plants are generally fairly large and only eight percent are classified as small household factories. Fish oil plants are generally small, crude plants with 35 percent classified as household factories.

The present production capacity expressed in metric tons is 673,634 of vegetable oils (from various seeds), 26,928 of fish oils and 8,834 of chrysalis oils, according to the Ministry of Agriculture and Forestry.

Production reached a peak in 1939 when 247,758 metric tons of vegetable oils and 84,363 metric tons of fish and chrysalis oils were produced. Domestic production of both vegetable and fish oils for 1945 totalled 27,925 metric tons.

In former years the great bulk of raw materials for vegetable oils was imported. Now that this trade is cut off the industry is largely inoperative. The Japanese estimate that the total amount of oils and fats which could be produced with domestic raw materials would meet only six percent of the domestic demand.

Leather

87. During the war no civilian shoes or boots were manufactured as all leather was confined to military uses. It is estimated that the total 1946 quota will be 6,000,000 pairs of shoes and boots. Recent release of 20,000 metric tons of former Army and Navy leather stocks would be sufficient to meet the quota. After this initial distribution it is expected the needs will be lessened and it is planned to manufacture 3,000,000 pairs in 1947 and yearly thereafter.

Officials of the Oil and Chemical Bureau of the Ministry of Commerce and Industry estimate that production based on the above rates will be sufficient to meet the domestic requirements.

It is estimated that the manufacture of the 6,000,000 pairs of boots and shoes would require 7,800 metric tons of leather. A small additional quantity would be needed to manufacture harnesses, knapsacks, saddles, belts and gloves.

Electrical Goods

88. The electrical equipment manufacturing industry remains unstable. Progress is slow although there are evidences of improvement. The economic condition of the country as a whole hampers rapid reactivation of this industry.

It is estimated that 40 percent of the labor employed in the industry is ineffective due to absenteeism.

89. Labor is passing through the initial stages of union organization. The demonstrations, mass meetings and negotiations incident to such organization and recognition have reduced the output of the plants. Many of the companies have completed negotiations with labor and it is anticipated that this factor may soon be reduced. The Tokyo-Shibaura-Denki Company is reported to have satisfied the principal demand of its labor union by agreeing to an increase of five times the wages prevailing at the time of the surrender. This concern is one of the largest and such an example may have significant influence on the industry as a whole.

90. Special effort is being directed toward the manufacture of transformers through pressure from the electric power distribution companies and government agencies. Demand for transformers is high due to the sudden increased use of electricity for domestic cooking and heating since the end of the war. The existing distribution transformers are failing under heavy overloads.

91. Some improvement in the rate of manufacture of certain items of electrical equipment is shown in the following table. The upward trend should continue in the future months as conditions

become more stable. An estimate of the quantity of production of various electrical items for the months of January and February is also shown. This is based on present stocks of raw materials and estimated ability to manufacture. The Ministry of Commerce and Industry is preparing a survey of raw materials available for electrical equipment manufacture.

PRODUCTION OF ELECTRICAL EQUIPMENT
October 1945-February 1946
(thousands)

Description	Actual Production			Estimated Production	
	Oct 45	Nov 45	Dec 45	Jan 46	Feb 46
Illuminating apparatus <u>a/</u>	220	270	260	200	280
Dry batteries	2,000	2,000	2,000	1,500	2,000
Storage batteries	7	10	15	18	20
Heaters	0	0.5	1	3	3
Transformers					
10 KVA-100 KVA	1	2	2	2	2
Motors under 50 H.P.	1	3	2.8	3	3
Electric light bulbs	620	900	700	700	1,000
Wiring accessories <u>b/</u>	340	730	1,000	1,270	1,410

a/ Illuminating apparatus includes: reflectors, lamp stands, flashlights, etc.

b/ Wiring accessories includes: receptacles, sockets, plugs, switches, etc.

SOURCE: Ministry of Commerce and Industry.

92. Many household appliances of the type that can be produced with few tools and by bench assembly methods are being manufactured by certain operators for sale in the black market. Such activity results in high profits and causes many materials to be diverted from legitimate manufacturers who sell within the ceiling prices.

93. Rebuilding of plant facilities damaged by air raids has been hampered by lack of construction materials. Where reconstruction and manufacturing needs for raw materials are in conflict reconstruction is usually neglected or postponed.

CONSTRUCTION

94. The Reconstruction Bureau of the Ministry of Home Affairs reported the formulation of the Home Construction Allotment Plan completed on 27 December 1945. This plan calls for the construction throughout Japan of 500,000 houses annually for the next five years.

HOUSE CONSTRUCTION ALLOTMENT

Builder	City Homes		Country Homes	
	Ordinary Homes	Apartments	Farm Homes	Tenant Homes
Housing Corp.	25,000	10,000	0	5,000
Contractors	45,000	10,000	0	20,000
Renters	20,000	5,000	0	0
Real Estate Co.	10,000	20,000	0	0
Government	20,000	0	0	0
Private owners	135,000	0	15,000	110,000
Farm Association	0	0	0	20,000
Agricultural Assn.	0	0	0	30,000
Total	255,000	45,000	15,000	185,000

SOURCE: Ministry of Home Affairs.

The demand for the principal building materials to implement this program for the period April 1946 to March 1947 follows:

<u>Material</u>	<u>Unit</u>	<u>Amount Required</u>
Lumber	cubic meters	7,102,000
Iron and steel	metric tons	105,000
Portland cement	metric tons	914,000
Electric wire	metric tons	1,725
Electric lights	each	3,375,000
Glass, sheet	square meters	7,661,000
Roofing materials	square meters	41,250,000
Asphalt	metric tons	24,990
Copper	metric tons	375
Lead	metric tons	660
Zinc	metric tons	18
Tin	metric tons	405
Gasoline	kiloliters	39,400
Coal <u>a/</u>	metric tons	100,000
Coke <u>a/</u>	metric tons	2,200

a/ Required for manufacturing tools.

SOURCE: Ministry of Home Affairs.

This home construction plan calls for 3,000,000,000 board feet of lumber annually. Bureau of Forestry figures show that only 2,000,000,000 board feet of lumber are being produced yearly. It is probable that other requirements listed in the above table also exceed available supplies. As a result it is very doubtful if it is possible to achieve as much as 50 percent of the desired housing.

RUBBER

95. Incomplete reports from the Rubber Control Union indicate that 21 December to 20 January production amounted to less than 1,150 metric tons. This decrease from December's production of 1,232 metric tons was due mainly to the New Year holiday shut-down. It is considered by the Japanese that a 20 percent decrease in production during January is to be expected.

The rubber industry was allocated 7,590 metric tons of crude rubber in October for the third fiscal quarter of 1945 and only 49 percent of this allocation was used. There will be a carry-over of 4,075 metric tons of crude rubber into the fourth quarter of the 1945 fiscal year (21 January to 20 April 1946).

PETROLEUM

96. As a result of the limited refinery capacity in the Akita region, wells have been shut down. To permit these wells to resume production arrangements have been made to ship their crude oil to the Niigata Refineries, a distance of 150 miles, where adequate capacity is available.

PRODUCTION OF CRUDE OIL
(kiloliters)

<u>Oil Field</u>	<u>Dec 23-29</u>	<u>Dec 30-Jan 5</u>	<u>Jan 6-Jan 12</u>
Kashiwasaki	946.31	912.83	907.97
Akita (Teikoku Co.)	1,912.96	2,038.05	1,813.89
Yamagata	1,019.90	988.80	914.30
Hokkaido	96.95	96.95	96.95
Niigata	22.77	19.55	11.24
Akita (Daido Co.)	24.50	23.47	20.83
Niitsu	57.60	59.32	42.43
Hachimori	<u>25.55</u>	<u>14.00</u>	<u>23.50</u>
Total	4106.54	4,152.97	3,831.11

SOURCE: Ministry of Commerce and Industry.

97. Six refineries in the Akita and Niigata regions are in operation and one refinery in Yokohama is operating with the limited stocks on hand. This refinery will shut down as soon as these stocks are exhausted because ample refinery capacity is available in or near the indigenous crude area.

REFINED OIL PRODUCTION
16 Dec 45-12 Jan 46
(kiloliters).

<u>Name of Company</u>	<u>Gasoline</u>	<u>Kerosene</u>	<u>Gas Oil</u>	<u>Diesel Oil</u>	<u>Fuel Oil</u>	<u>Lubricating Oil</u>
Nippon Oil Co.,						
Kashiwasaki	1,020	289	280	170	459	249
Niigata	-	-	41	286	311	882
Akita	91	94	-	255	-	-
Yokohama	-	-	21	310	-	40
Showa Oil Co.,						
Hirasawa	-	75	14	19	-	169
Niigata	140	163	-	218	-	242
Nippon Kogyo Co.,						
Funakawa	<u>266</u>	<u>109</u>	<u>-</u>	<u>398</u>	<u>-</u>	<u>-</u>
Total	1,517	730	356	1,656	770	1,582

SOURCE: Ministry of Commerce and Industry.

Section 4

TRANSPORTATION AND PUBLIC UTILITIES

C O N T E N T S

	Paragraph
Rail Transportation	1
Shipping.	7
Electric Power.	14
Gas Industry.	27

RAIL TRANSPORTATION

1. Before the war a large part of the movement of internal freight was by coastwise shipping. Loss of ships forced rail lines to carry that coastwise shipping which could be moved by rail. This increased load was thrown on rail lines at a time when maintenance and replacement expenditures were at a minimum. The resulting strain on the railroad system is a factor contributing to the present poor physical condition of the properties.

Equipment deteriorated through wartime neglect is not being repaired with sufficient rapidity to ease shortages, particularly of electric passenger cars. Means are now being sought to utilize all available workshop capacity and to reduce the large backlog of idle rolling stock awaiting repairs.

2. Responsible officials in the Ministry of Transportation are being urged to hasten repairs. Until coal shortages and maldistribution of food and raw materials are corrected no great progress can be expected.

STATUS OF GOVERNMENT ROLLING STOCK 31 December 1945

	<u>Built in</u> <u>Dec</u>	<u>Awaiting</u> <u>Repair</u>	<u>In Operation</u> <u>31 Dec 45</u>
Steam locomotives	4	1,246	4,505
Electric locomotives	0	50	242
Electric cars	0	645	1,486
Passenger cars	5	1,035	10,089
Freight cars	225	4,349	111,546

SOURCE: Ministry of Transportation.

STATUS OF PRIVATE RAILWAY ROLLING STOCK
31 December 1945

	<u>Built in Dec</u>	<u>Awaiting Repair</u>	<u>In Operation 31 Dec 45</u>
Steam locomotives	0	90	317
Electric locomotives	0	53	146
Electric cars	0	3,686	5,396
Passenger cars	0	156	659
Freight cars	0	947	6,825

SOURCE: Ministry of Transportation.

3. Inadequate supplies of coal have been forcing a gradual curtailment of the rail transportation still in operation. This trend has apparently been arrested. Coal production is increasing to such an extent that larger allocations for the government railroads are now available. As a result, it has been possible to re-established some of the essential services previously suspended.

4. The 1945 consumption of coal by government railroads for the first seven months of the fiscal year has been reported as follows:

GOVERNMENT RAILROADS

<u>Month 1945</u>	<u>Coal Consumption (Metric Tons)</u>
April	641,000
May	640,000
June	590,000
July	549,000
August	483,000
September	468,000
October	472,000

SOURCE: Ministry of Transportation.

Actual consumption between October and the present date has not yet been compiled. Allocations of coal for the months through March are listed below:

COAL ALLOCATIONS
(Metric Tons)

<u>Month</u>	
November '45	464,000
December '45	410,000
January '46	445,000
February '46	524,000
March '46	625,000 ^{a/}

^{a/} Estimate

SOURCE: Ministry of Transportation.

Actual consumption will probably prove greater than the allocations. The difference will have to be supplied from existing railroad stock-piles.

The following data indicate the consumption of coal in some recent years by Government railroads.

COAL CONSUMPTION
(Metric Tons)

1926	3,210,000
1936	3,974,000
1941	5,771,000
1942	6,486,000
1943	7,237,000
1944	7,928,000
1945	6,500,000 ^{a/}

^{a/} Estimate

SOURCE: Ministry of Transportation.

5. The Ministry of Transportation is expected to submit a proposal for increasing rates on government railroads. Labor's demands for increased wages, and rehabilitation and improvement of plant and equipment are given as reasons for the increase.

The plan intends raising passenger fares two and one half times and freight rates three times the present rates. An increase in revenue of ¥ 2,600,000,000 from passenger fares and ¥ 800,000,000 from freight charges is expected.

Private railroads will undoubtedly make similar requests if the new government railroad rates are authorized.

6. The Ministry of Transportation is preparing a request for electrification of many lines that are now steam operated. The project will be scheduled over a 10 year period. The change will reduce coal consumption, increase both passenger and freight traffic capacity, and improve the service by speeding it up and eliminating smoke.

The scope of the proposal is very ambitious and embraces all four islands of Japan. Selection of the lines to be electrified will be on the basis of density of traffic, distances from coal sources, tunnels and heavy gradients and suburban lines in and around large cities where commuting passenger traffic is heavy.

Initially, the electric power required will be purchased. In the future the proposal includes construction of government railroad owned plants for power supply.

SHIPPING

Available Tonnage

7. Destruction of Japanese shipping was very rapid during the latter part of the war. Not only was the number of losses great, but in addition it was the larger vessels that were lost.

At the time of the surrender the merchant fleet had been reduced to one third its prewar numbers. Its average gross tonnage per vessel remaining afloat was reduced to 70% of the average pre-war gross tonnage. These two circumstances reduced total gross tonnage to a quarter of that of November 1941.

Ship Repairs

8. The Japanese merchant fleet consists of vessels built in wartime and old vessels which are in very poor condition. Maintenance on these vessels has been inadequate, resulting in a heavy repair load on ship repair facilities. The following table shows the number of merchant ships in service and undergoing repairs:

MERCHANT SHIPS January 1946

<u>Date</u>	<u>In Service</u>		<u>Under Repair</u>			
	<u>No.</u>	<u>Gross tons</u>	<u>No.</u>	<u>Gross tons</u>	<u>No.</u>	<u>Gross tons</u>
			(In service since occupation)		(Not in service since occupation)	
1 Jan	453	531,072	146	275,704	82	180,290
10 Jan	469	549,330	129	237,746	82	180,290
20 Jan	460	574,741	136	210,511	86	208,922

SOURCE: Shipping Control Authority, Japanese Merchant Marine.

9. There are 34 civilian shipyards engaged in repair work. From 20 December 1945 to 20 January 1946 they completed repairs on 214 vessels of 417,000 gross tons. The three navy yards, Kure, Maizuru and Ominato that are in operation as repair facilities completed 38 repair jobs during January 1946.

10. De-militarized Japanese Navy ships are being used in repatriation service and in mine sweeping operations in and around ports and harbors. The following table shows the number of navy ships in service and under repair:

DE-MILITARIZED NAVY SHIPS January 1946

<u>Date</u>	<u>Repatriation</u>			<u>Mine Sweeping</u>		
	<u>In Service</u>	<u>Under Repair</u>	<u>Total</u>	<u>In Service</u>	<u>Under Repair</u>	<u>Total</u>
1 Jan	63	86	149	15	16	31
10 Jan	57	92	149	21	10	31
20 Jan	78	70	148	20	11	31

SOURCE: Shipping Control Authority, Japanese Merchant Marine.

11. Dry cargo coastwise shipping is predominately coal and coke, as shown by the following figures:

COASTWISE SHIPPING IN STEEL BOTTOMS OF 100 TONS OR OVER
(Long Tons)

	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>
Coal and Coke	158,659	258,675	144,305	126,046	131,688
All other	<u>24,700</u>	<u>49,053</u>	<u>102,753</u>	<u>60,272</u>	<u>68,581</u>
Total	183,359	307,728	247,058	186,318	200,269

Percentage Distribution

Coal and Coke	86.5	84.0	58.4	67.7	65.8
All other	<u>13.5</u>	<u>16.0</u>	<u>41.6</u>	<u>32.3</u>	<u>34.2</u>
Total	100.0	100.0	100.0	100.0	100.0

SOURCE: Japanese Civilian Merchant Marine Committee.

12. During January the cargo carried by Japanese tankers between Japanese ports was more than double the December cargo. The most important increase was in black oil.

CARGO CARRIED BY JAPANESE TANKERS
(kiloliters)

	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Total</u>
Black oil	1,001	1,687	3,840	1,919	8,946	17,393
Kerosene	2,704	1,000	1,511	453	755	6,423
Gasoline	0	1,370	0	2,682	2,094	6,146
Light oil	0	1,200	0	0	0	1,200
Diesel oil	0	0	200	0	1,120	1,320
Turpentine	0	0	1,235	1,475	285	2,995
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>130</u>	<u>130</u>
Total	3,705	5,257	6,786	6,529	13,330	35,607

13. Except for the importation of a small amount of phosphate rock from the southern islands the ocean shipping of merchandise has been confined to China and Korea as shown in the following tabulation:

OCEAN SHIPPING OF JAPAN
(long tons)

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Total</u>
Salt from China and Korea	1,749	820	0	13,092	15,661
Pitwood to China	0	0	3,104	2,484	5,588
Coal to Korea	26,001	34,810	49,056	38,985	148,852
Pitch to Korea	<u>0</u>	<u>0</u>	<u>1,336</u>	<u>1,959</u>	<u>3,295</u>
Total	27,750	35,630	53,496	56,620	173,396

SOURCE: Japanese Civilian Merchant Marine Committee.

ELECTRIC POWER

14. The electric power industry has shown a considerable recovery since the drop in industrial load at the end of the war which reduced the demand to approximately one third of the 1944 peak demand. The recovery is largely attributed to extensive use of electric hot plates and space heaters, renewed industrial activity and needs of the occupying forces.

15. "Electric Power - Yearly Load Curve" Chart No. 19 shows this recovery and also the typical seasonal load variations. The two dry seasons of the month of August, and November through March serve to limit the generation of hydro-electric power. Featured in the chart are the slumps in Japanese Industry toward the end of the war, the sharp drops in power load following the heavy air raids and the rapid recovery during the last few months of 1945.

16. At present there exists a surplus of hydro-electric power in most areas. In Northern Kyushu where thermal power generation is predominant 100,000 kilowatts of thermal power is continually generated.

17. One steam station of 25,000 kilowatts capacity was operated in the Chugoku district of southern Honshu for several days but by agreement between the Fuel Bureau of the Ministry of Commerce and Industry and the Japan Generating and Transmission Company it was shut down and the coal supply transferred.

18. Present loads are approximately 60 percent of the 1944 peak and officials estimate that during February the load may be close to 70 percent with a drop expected in the spring when the weather becomes warmer.

19. Distribution system troubles continue in overloaded residential areas despite efforts to reinforce the system with larger transformers and wire. Use of electric heaters is the principal cause.

20. The increase in use of electric power by war industries of Japan, starting in 1931 is illustrated by Chart No. 20. The more gradual increase prior to 1931 and a part of the entire increase should be attributed to the advance in electrical utilization not necessarily of a war nature. This chart also shows the drop in demand during late 1944 caused by the reduction of Japan's war industry from air raids, lack of materials and transportation difficulties.

21. That iron and steel production and the chemical industries dominated power needs is shown by Chart No. 21. The war's effect on other industries' power consumption is also indicated.

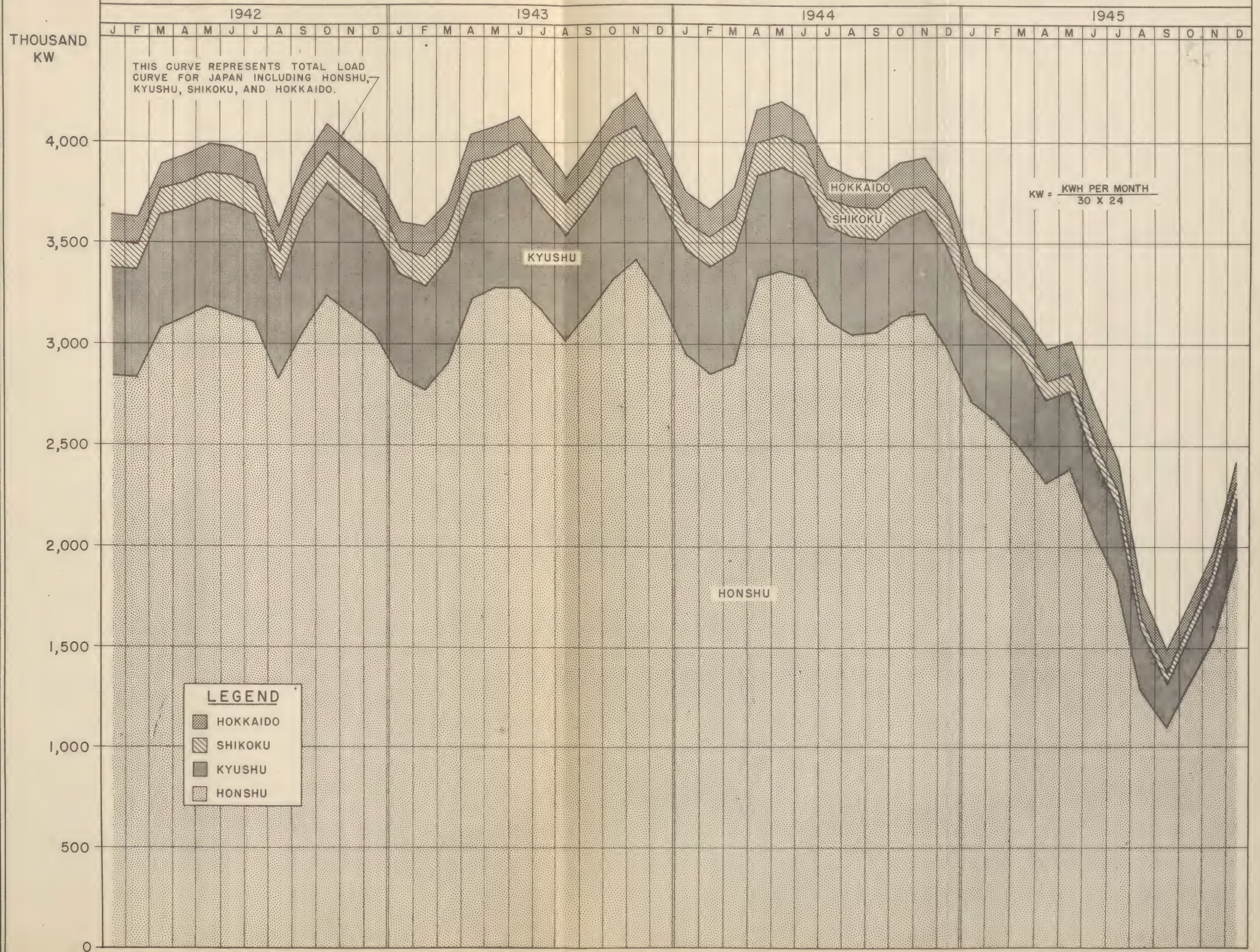
22. Industrial loads plus the evening lighting peaks are illustrated by Chart No. 22.

23. Considerable decrease in load prior to the surrender and the sharp drop of 15th August is shown in Chart No. 23. Also shown are the effects of the air raids of 2-7 December 1944 and 15-16 February 1945. The drop in load 11 February 1945 is attributed to both air raids and a national holiday.

24. The physical condition of the electric power system has changed little since the occupation. Steam plants remain in poor condition caused by air raids and by lack of maintenance, particularly to boilers. Repairs are not being pushed as plants are not needed at this time. Hydro-electric plants were virtually untouched by raids and operating condition ranges from fair to good.

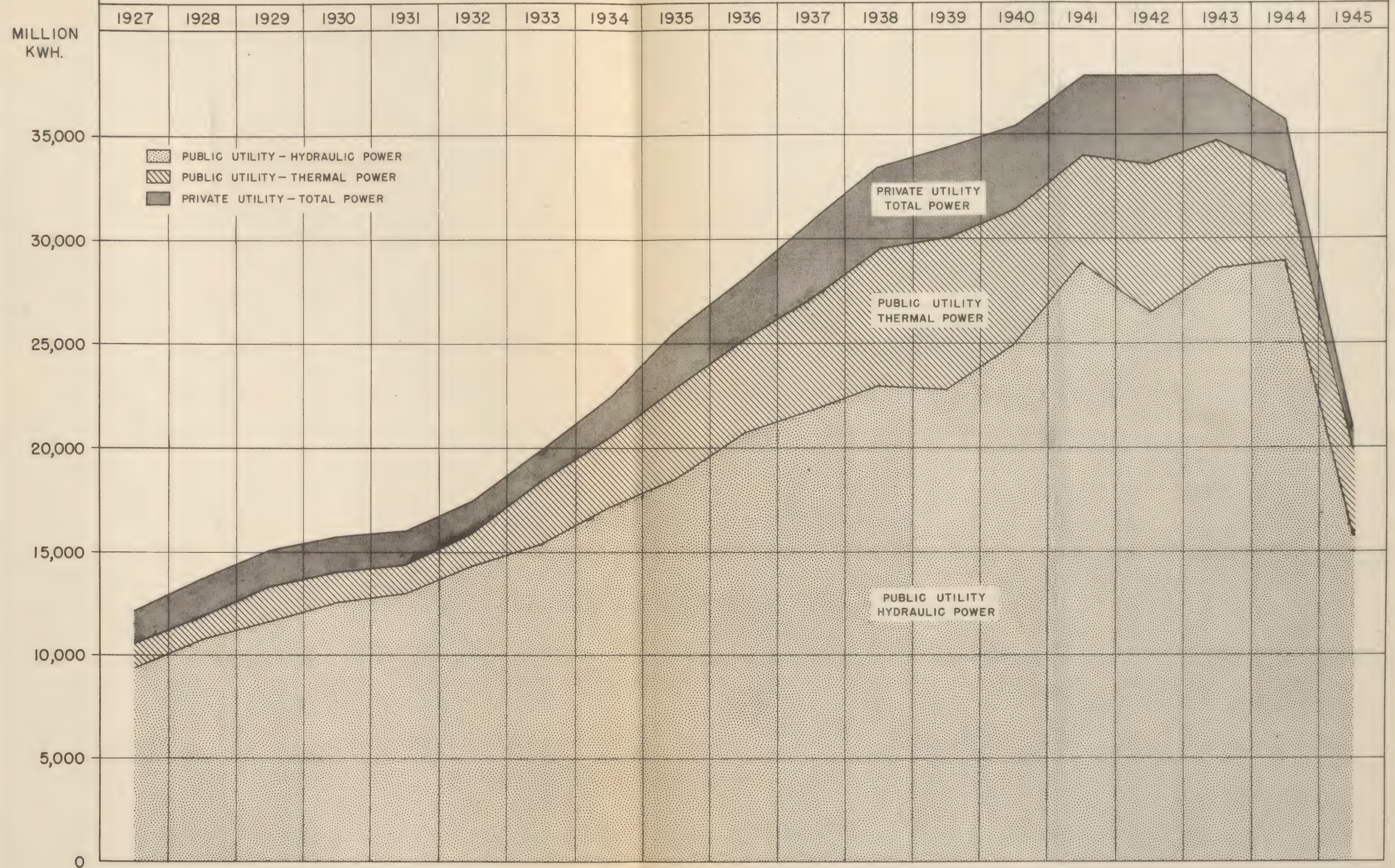
ELECTRIC POWER - YEARLY LOAD CURVE - JAPAN

1942-1945



GENERATED ELECTRIC POWER - JAPAN

1927-1945



SOURCE: MINISTRY OF COMMERCE AND INDUSTRY, ELECTRICAL POWER BUREAU

NOTE:

1. The public utilities figures for years prior to and including the year 1932 cover the electric year 1 December to 30 November. Figures for 1933 and subsequent years cover the fiscal year 1 April to 31 March. Private station figures are for the calendar year.
2. The public utilities figures for 1932 and prior years include a small amount of power supplied to them by private power plants.
3. Private power figures include only power generated by private power plants of 500 KW or more.
4. Power generated by Government Railway power plants is included in the public utilities figures for 1930 and subsequent year.
5. Power generated by the Nippon Steel Company power plants is not included in the private power figures until 1933 and subsequent years.
6. The 1944 figures are partially estimated.

ELECTRIC POWER CONSUMPTION BY TYPES OF USERS, 1941-1944

MILLIONS OF
KILOWATT
HOURS

IMPORTANT CHEMICAL INDUSTRY	OTHER LARGE CONSUMERS	IRON AND STEEL	SMALL CONSUMERS	LIGHT SERVICES	FUEL	LIGHT METAL	ELECTRIC RAILWAYS	IMPORTANT METAL, MINING AND REFINING	CERAMIC INDUSTRY	PUBLIC UTILITIES	IMPORTANT MACHINE INDUSTRY	METAL PRODUCTS	AIRCRAFT MANUFACTURE MILITARY AND NAVAL SUPPLIES	NAVAL ARSENAL	MILITARY ARSENAL	SHIP MANUFACTURE
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6000

5000

4000

3000

2000

1000

0

SOURCE: MINISTRY OF COMMERCE AND INDUSTRY,
ELECTRIC POWER BUREAU

LEGEND

- 1941
- 1942
- 1943
- 1944

NOTE: INCLUDED IN, "IMPORTANT METAL, MINING AND REFINING"

SEE NOTE

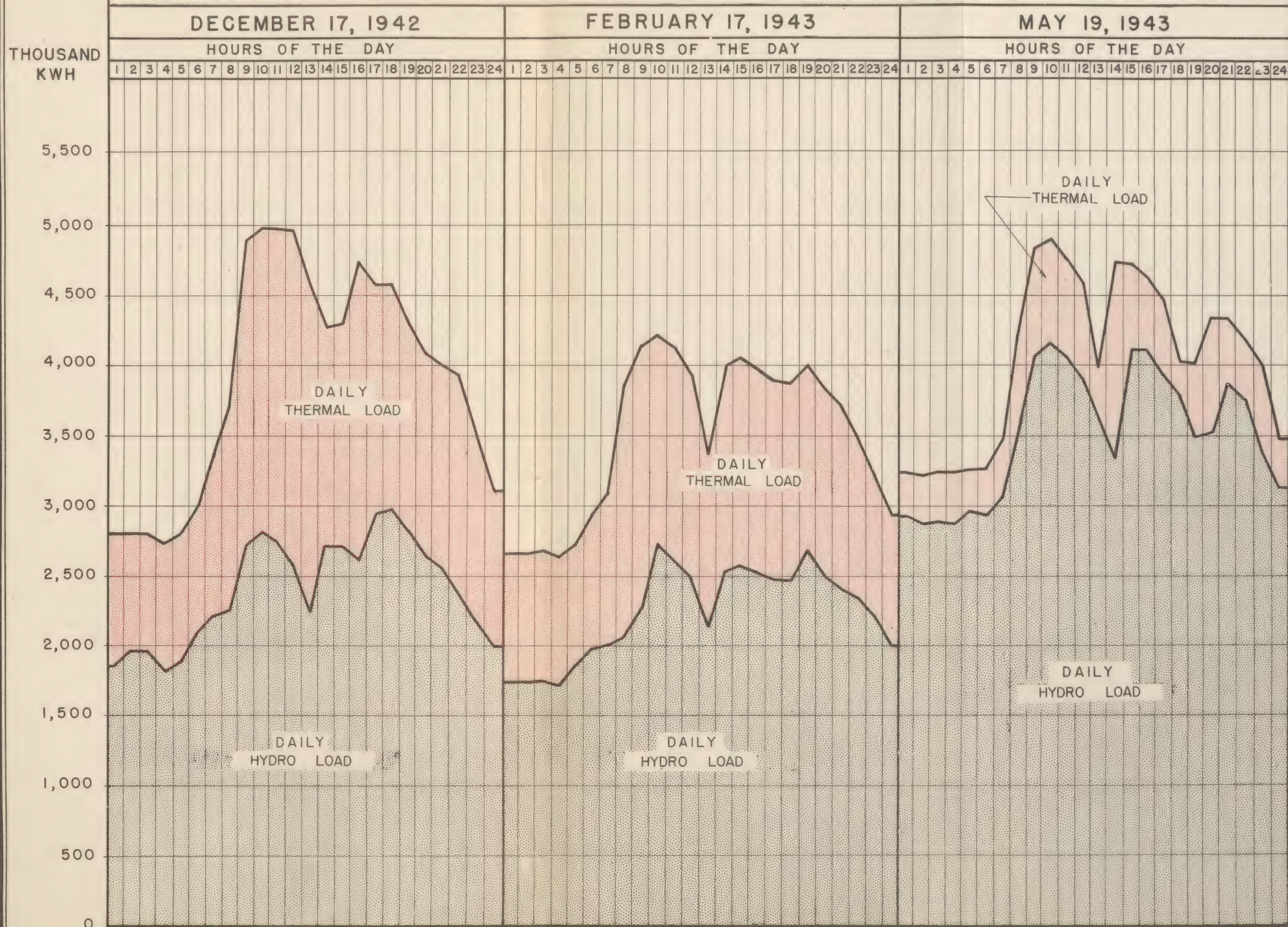
JANUARY 46

GHQ · SCAP

NUMBER 21

ELECTRIC POWER

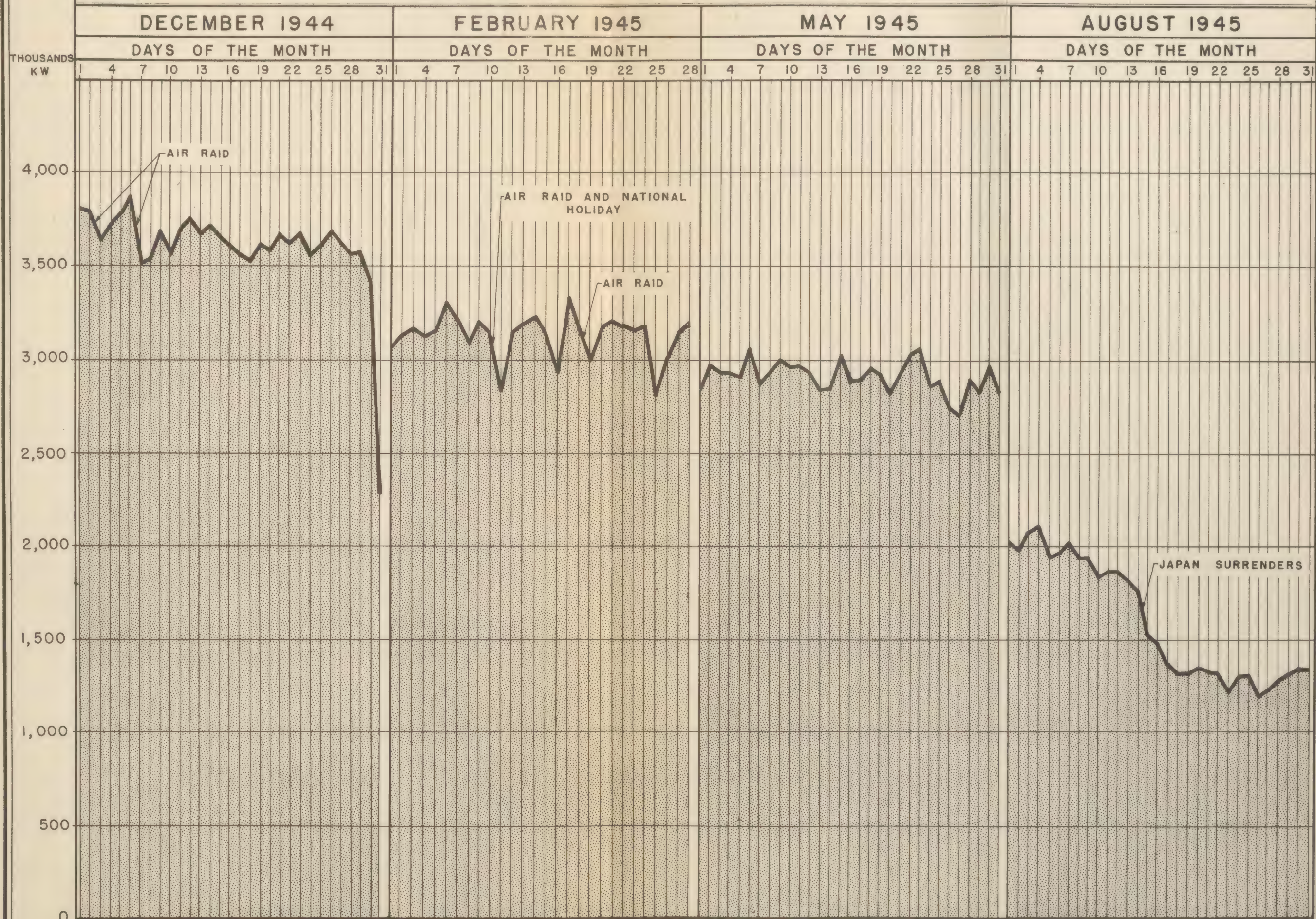
TYPICAL DAILY LOAD CURVES FOR ALL PUBLIC UTILITIES - JAPAN



ELECTRIC POWER

TYPICAL MONTHLY LOAD CURVES

FOR PRINCIPAL PUBLIC UTILITIES - JAPAN



SOURCE: MINISTRY OF COMMERCE AND INDUSTRY, ELECTRIC POWER BUREAU

25. The strikes in the power industry have been settled by the companies agreeing in principle to the demands for increased wages and most other controversial points.

26. No progress towards frequency unification has been made by the committee appointed by the government.

GAS INDUSTRY

27. For the past three months coal allocations have limited manufacture of public utility gas to a few hours per day. Use of stockpiles was necessary to maintain even this limited service. The current improvement in coal production permits an increased allocation for February to 71,500 metric tons from the 42,000 metric tons per month allocated for December and January. It is not expected that an immediate increase in the hours of service will be possible as there are no longer surplus stocks available to supplement the allocations.

28. A study of gas rates is being made by the Coal Bureau, Ministry of Commerce and Industry.

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SECTION 5

IMPORTS AND EXPORTS

C O N T E N T S

	Paragraph
Trade Policy.	2
Interim Trade	4
Export and Import Commodities	5
Port Facilities and Customs	14

1. Japanese import trade programs for 1946 were compiled. Export trade programs for 1946 are being compiled.

The first shipment of U.S. Army food to meet essential civilian requirements arrived and critically needed diesel oil and medical supplies are being released to the Japanese Government from surplus stocks of the Occupation Forces. In January shipments of mining timbers, coal, pitch and communications equipment were made to Korea, China and Hongkong.

TRADE POLICY

2. All foreign trade of Japan is on a government to government basis under the direct control and administration of the Supreme Commander.

Trade Progress

3. The Japanese Government supplied estimated 1946 import requirements and estimates of potential Japanese exports for 1946.

INTERIM TRADE

4. The following shipments were made during January 1946:

<u>Commodity</u>	<u>From</u>	<u>Quantity</u>
<u>Imports</u>		
Diesel oil	U.S. Army	42,650 barrels
Medical supplies	U.S. Army	(Various)
Wheat flour	U.S. Army	1,000 short tons
<u>Exports</u>		
	<u>To</u>	
Silk piece goods	Occupation Forces	15,000 bolts
Mining timbers	China	69,410 pieces
Coal	Hongkong	28,106 metric tons
Coal	Korea	14,085 metric tons

<u>Exports</u>	<u>Commodity</u>	<u>To</u>	<u>Quantity</u>
	Communications equipment	Korea	(Amounts and values being consolidated)
	Pitch	Korea	990 metric tons
	Medical supplies	Korea (from U.S. Army)	(Amounts not yet recorded)

SOURCE: Japanese official reports.

EXPORT AND IMPORT COMMODITIES

Exports

5. Official Japanese test certificates covering 8,528 bales of raw silk have been submitted to SCAP to date. The test certificates have been analyzed and 663 bales are considered to be unsuitable for export. The balance considered suitable for export include the following quantities:

SP AAA 20/22 White	- 1,830 bales	<u>1/</u>
AAA 20/22 "	- 670 "	
AA 13/15 "	- 780 "	
A 13/15 "	- 1,060 "	
B 13/15 "	- 1,230 "	
C 13/15 "	- 1,150 "	
D 13/15 "	- 1,045 "	
B 20/22 Yellow	- 40 "	
C 20/22 "	- 60 "	
TOTAL	7,865 bales	

1/ of 132 pounds.

A directive was issued 29 January to the Japanese Government requiring that 1,500 bales of white silk 20/22 denier and 1,100 bales of white 13/15 denier be prepared for export and that necessary invoices and related documents be submitted to SCAP by 7 February 1946.

The Japanese Government was directed to prepare for shipment 150,000 sheets of silk worm eggs and to deliver them by early March for air shipment to China. More than 2,000,000 mulberry seedlings are to be shipped to Korea and China to revive sericulture in those countries.

6. Samples of tea available for export have been taken from a considerable part of 35,397 cases in warehouses. This quantity is comprised as follows:

TEA AVAILABLE FOR EXPORT

<u>Type</u>	<u>Quantity</u>	<u>Weight</u>
Black	7,143 cases <u>a/</u>	664,260 lbs.
Black	7,254 cases	570,000 lbs.
Green and Brick	21,000 cases	2,002,500 lbs.

a/ Includes some Formosa, China and Java teas.

SOURCE: Survey by this Headquarters.

7. Reports have been supplied to the U.S. Commercial Company on quantities of bamboo, raw furs, tengujo paper (used in mimeograph stencils), straw braid, tea, trees, shrubs, flower seeds and bulbs available for export. Twenty-two hundred pounds of vegetable seeds are now available for export. Report on details of 10,000 tons of leather frozen for export has been forwarded.

8. Samples of handicraft products are being collected and export production capacity figures are being compiled. Among the commodities considered in this program are: lacquer ware, woven art crafts, metal crafts, costume jewelry, toys, ivory carvings, woodcrafts and novelties of all descriptions.

9. Export to Korea of standard gauge railway rolling stock now held in warehouses was ordered. Manufacture of chlorinators for Korea was arranged. Coal shortage is expected to be a considerable factor in the volume of production of many export articles.

Various shipping conditions during the second half of January retarded the exportation of mining timbers to China, while the present rate of production and delivery is considerably below the current export program of 200,000 to 300,000 pieces monthly. A representative arrived to assist in effecting supply of essential materials needed for operation of Kailan mines in North China.

10. Cigarette paper is to be supplied to Korea and requirements for cigarette package paper are being checked.

11. The Japanese Government was directed to prohibit transactions in pearls except for retail sales up to the volume of the dealer's sales in the preceding three months, and a complete inventory was ordered of all holdings of pearls for other than normal business or personal use.

Imports

12. One thousand short tons of wheat flour from U.S. Army stocks in Manila arrived in Japan and is about to be delivered to the Japanese government for distribution to meet emergency civilian requirements.

13. The Japanese Government was directed to send shipping to Rota in the Mariana Islands to take delivery of 12,000 tons of phosphate rock for the manufacture of much needed super-phosphate fertilizer. Delivery is to be taken of 3,300 tons of phosphate rock from Kita Daito Island. There are sufficient stocks of sulfuric acid in Japan for the conversion of phosphate rock into fertilizer.

PORT FACILITIES AND CUSTOMS

14. More effective action to stop smuggling and to apprehend violators was directed. There have been unauthorized movements of rice from Korea into Japan. Arrangements were made to return to Japanese use some of the Yokohama and Kobe silk conditioning premises for reinstallation of raw silk testing equipment removed during the war.

SECTION 6

LABOR

C O N T E N T S

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1. Japanese estimates indicate that only about 14 percent of the nation's workers earn enough money to meet the rising cost of living. As a result unions are being formed at the rate of two a day with the more strongly organized securing wage increases averaging 300 percent.

LABOR LEGISLATION

2. The Ministry of Welfare reported that preparation of the Imperial Ordinance implementing the Labor Union Law has been delayed.

A preliminary draft of the Labor Disputes Bill which is intended to supplement the Labor Union Law was prepared by the Labor Legislation Committee of the Ministry of Welfare.

LABOR UNIONS

3. January was characterized by the formation of regional and industrial federations and councils, looking forward to the formation of a national federation of all labor unions.

On 28 January 1946 the Preparatory Committee for a National Federation of Labor held a meeting in Tokyo attended by representatives of unions and councils from all over the nation. Motions were carried to effect the federation and to nominate Komakichi Matsuoka, prewar Social Democrat labor leader, as its first president.

The meeting reported that new labor unions were being organized at the rate of two a day and that 288 unions with a total membership of more than 325,000 were ready to affiliate with the proposed national federation. The breakdown is shown below:

<u>Name of Prefecture</u>	<u>No. of Unions</u>	<u>Membership</u>
Tokyo	22	62,670
Hyogo	36	38,500
Hokkaido	35	35,000
Kyoto	18	26,860
Niigata	13	24,500
Osaka	11	20,570
Kanagawa	33	19,040
Saitama	14	17,590
Kochi	16	13,500
Fukuushima	2	8,034
Ishikawa	1	5,590
Miyagi	16	5,100
Hiroshima	1	4,300
Akita	2	3,500
Chiba	5	1,730
Kagawa	6	1,700
Gumma	3	1,500
Kyushu Prefectures	37	39,140
Aichi	5	Unknown
Wakayama	4	Unknown
Shizuoka	3	Unknown
Aomori	3	Unknown
Tochigi	1	Unknown
Toyama	1	Unknown
	288	328,824

4. At the close of 1945 two competing labor movements were developing in Japan. One was Communist-inspired and the other was promoted by the Social Democrats. The return on 7 January 1946, from Yenan, China, of Sanzo Nozaka (Susumu Okano), prime advocate of a united front of all "democratic" elements, and his selection as president of the Japan Communist Party touched off the movement to unite all labor union groups.

The response among labor unions was widespread and rapid. Top Communist and Social Democrat labor leaders appeared on the same platform. Unions, particularly in Tokyo, Kanagawa and Hokkaido, are now federating without regard to political origin.

5. In January labor union organizational activity was most prominent among government and public utility employees. Unions and councils of unorganized workers throughout the 200,000 employees in the government communication system formed a Preparatory Committee for a federation of all unions in communications enterprises.

Similar organizational movements took place among the 550,000 employees in the government railways and the 100,000 employees in the quasi-governmental power generation and distribution system. Finally, unions appeared among the employees of the Ministry of Transportation and the Ministry of Agriculture and Forestry.

LABOR RELATIONS

6. The pressure of organized labor in January was exerted to offset the rapid rise in the cost of living, estimated at three to four times workers' current earnings. Substantial wage increases resulted as well as limited participation in management for some 1,000,000 employees.

Organized parades and mass meetings demonstrated against the City of Tokyo and the Ministry of Transportation, but no interruption in essential production or services and no strike of any consequence occurred.

7. The Tokyo Metropolitan Traffic Labor Union, led by the veteran prewar Social Democrat labor leader, Hisaharu Shigemori, spearheaded the pressure on the Metropolis of Tokyo by demanding an increase to five times present earnings of his 8,500 Tokyo tram and bus workers.

On 15 January, after 36 hours of continuous negotiation which climaxed two weeks of public demonstrations, the union concluded a contract with the metropolitan authorities providing for a 300 percent increase in earnings and union representation on councils which would be responsible for rationing, commodity distribution and welfare services.

On 19 January the Metropolis of Tokyo extended similar concessions to 70,000 municipal employees.

8. Treatment Improvement Councils, established under government sponsorship as a result of employee pressure and consisting of officials, employees and neutrals, concluded various arrangements with the Ministry of Transportation. These covered 750,000 communications and railroad workers and provided for: (1) a special cost-of-living allowance equal to three to six times the monthly base salary, (2) employee supervision of the distribution of rations and commodities at official prices and (3) special provisions on housing and transportation for employees suffering from displacements due to air raids.

9. On 26 January, after 11 days of negotiations, the union reached a settlement with the Kanto Electricity Distribution Company which employs 7,000 workers and supplies electricity to the metropolitan areas of Tokyo and Yokohama. The settlement provided for about a 300 percent increase in earnings, an eight-hour day and a degree of participation in management by the union. The details of this participation were to be worked out by a joint council.

In the course of the dispute the union decided not to strike since an interruption in essential services has been prohibited by SCAP, but instead took over the management of the company and operated it in accordance with a prearranged plan worked out in conjunction with the company officials. The management later admitted that the union did a responsible job and in some respects actually improved the service.

A similar settlement was reached between the semi-official Japan Power Generation and Transmission Company, which generates 95 percent of the electricity for the nation, and its union of 25,000 employees. The settlement was extended to the eight remaining distributing companies. The ten companies employ a total of about 100,000 workers.

10. Associations of employers similar in membership to the U.S. Chamber of Commerce and the National Association of Manufacturers have been undergoing reorganization. Representatives of the four most prominent employer organizations met on 10 January. After deciding to dissolve their organizations they organized a special committee to formulate a program for a new organization to represent Japan's leading industries.

The four organizations to be dissolved are Chamber of Commerce and Industry, Important Industries Deliberative Association, Japan Economic Federation and the Central Association of the Commercial and Industrial Unions.

Mr. Kei Ohashi, chairman of the new movement, announced that the new organization would endorse collective bargaining with

labor unions as the basic principle in its labor relations policy.

11. On 21 January the Ministry of Commerce and Industry proposed the organization of Productive Management Councils with employee representation so that workers might participate in the reorganization and rehabilitation of Japan's industries.

WAGES

12. Surveys indicated that in January the ordinary working man was unable to supply himself and his family with the necessities of life out of his current earnings.

13. Preliminary estimates disclosed that take-home earnings (base wages plus bonuses and allowances) as of January 1946 were approximately 300 to 400 percent of the 1937 levels. Estimates made by the Cabinet Bureau of Statistics indicated that January 1946 earnings averaged 270 percent of the 1941 levels.

14. In contrast the Cabinet Bureau of Statistics revealed that cost of living had increased from an index of 100 in 1937 to the following on 2 January 1946: 1,858 in Kumamoto, 1,834 in Osaka, 1,741 in Yokohama, 1,635 in Nagoya, 1,444 in Kyoto, 1,287 in Tokyo, 997 in Sendai and 765 in Kanazawa.

15. Preliminary reports of sample budgets confirm the above. They indicated that current earnings accounted for only 35 to 60 percent of the cost of living while withdrawals from savings, sales of household articles, separation allowances and loans accounted for 30 to 55 percent of the current cost of living expenses. In addition, an indeterminate share of workers' incomes was derived from illegal black-market activities in which some laborers engaged to supplement their income.

16. Certain large segments of workers stand out as exceptions to the above situation. On the one hand are those whose current income just about equals their current cost of living. As a rule these are workers who belong to strong unions that have successfully achieved collective bargaining agreements or who are employed in essential industries. Often the adjustment in income was made in part by supplementing wages with food, fuel and clothing. This class of employees totalled about 1,480,000 or 14 percent of the non-agricultural workers registered on 1 December, distributed as follows:

50,000 railway and tramcar workers

400,000 other land transport workers

250,000 postal, telephone, telegraph and other communications employees

150,000 miners (principally in Hokkaido and Kyushu)

60,000 rolling stock manufacturing workers

20,000 newspaper employees

100,000 construction workers (mostly employed on occupation projects)

In addition the wages of some 10,000 merchant seamen to be engaged in repatriation were being adjusted upwards.

At the other extreme is a much larger segment comprising nearly 40 percent of all non-agricultural workers. This group has been hit harder by post-war economic circumstances than has the average worker. These workers number about 4,280,000 and consist of 3,300,000 unemployed, 530,000 civil service and government employees and 450,000 teachers.

17. Workers' supplementary sources of income were rapidly being exhausted and could not be counted on to supplement current earnings for more than a short time. As the lag of wages behind prices grew more pronounced there was a marked tendency to supplement money wages with payments of food, clothing, fuel and the like.

18. Some seven or eight ministries formerly exercised control over wages and salaries. As of 15 January all administration of wage and salary laws was consolidated under the jurisdiction of the Ministry of Health and Welfare, with the exception of control over directors' salaries which was retained by the particular ministries under whose general jurisdiction the enterprise fell.

19. In view of the rising cost of living, significant upward revisions in the wages of laborers on occupation projects are being made by the Central Liaison Office in order to insure satisfactory procurement, particularly in special categories of skilled workmen. Other wage adjustments decided by the Japanese Government include the granting of a cost-of-living bonus equal to 2.5 months' pay to all government employees during February 1946.

20. The Central Wage Committee of the Ministry of Health and Welfare is continuing its study of minimum wages and wage controls and has submitted to SCAP the findings of the recently completed Wage and Cost of Living Survey.

These data are inadequate since they do not include the Temporary Commodity Price Allowance, the increased Family Allowance or increases resulting from wage negotiations between labor unions and management. The wage and cost-of-living data are in no case more recent than November 1945. Average earnings of industrial and new workers were:

AVERAGE MONTHLY EARNINGS BY INDUSTRY IN SELECTED AGE GROUPS
October 1945
(yen)

Industry	<u>14 - 15 Years</u>		<u>23 - 25 Years</u>		<u>Over 39 Years</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Metals	54.93	52.78	158.90	94.67	220.36	113.26
Machinery	58.14	48.65	149.59	76.37	230.33	114.99
Chemicals	60.67	49.48	126.83	79.46	175.42	84.79
Construction	51.40	42.50	147.12	51.23	194.81	94.80
Textiles	47.18	37.44	94.79	61.69	155.74	67.18
Woodwork	43.14	37.74	95.33	57.28	152.68	76.20
Foodstuffs	48.13	36.40	97.10	63.52	138.77	73.64
Printing	-	-	182.71	-	212.07	-

SOURCE: Wage Survey of Ministry of Health and Welfare.

AVERAGE MONTHLY EARNINGS OF NEW WORKERS
October 1945
(yen)

<u>Industry</u>	<u>14 - 15 Years</u>		<u>23 - 25 Years</u>		<u>Over 39 Years</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Metals	43.25	39.47	92.64	66.54	108.62	67.45
Machinery	55.75	49.43	110.15	77.95	135.29	87.09
Chemicals	57.66	49.86	106.89	81.36	132.07	88.49
Construction	47.78	54.23	155.80	93.20	169.40	111.00
Textile	36.86	32.94	75.97	51.11	87.12	58.21
Woodwork	33.75	32.15	112.58	79.43	120.82	69.60
Foodstuffs	37.28	31.59	77.66	55.28	97.15	56.23
Printing	55.93	-	110.94	-	145.32	-
Weighted Average	48.73	34.49	100.39	69.50	122.37	75.51

SOURCE: Wage Survey of Ministry of Health and Welfare.

EMPLOYMENT

21. Further details received from the Ministry of Health and Welfare on the Employment Registration of 1 December 1945 reveal that 28,126,401 persons (17,627,636 male and 10,498,765 female) registered. Of these 22,683,725 were employed, 3,336,750 registered as unemployed and 2,105,926 were students.

22. This registration covered males from 12 to 59 and unmarried females from 12 to 39 and excluded physicians, dentists, veterinarians, nurses, apothecaries, primary school students, persons adjudged to be incompetent and Japanese nationals overseas. It is estimated to be better than 90 percent complete on the basis of comparison with the 32,504,323 employed of the 1944 census which included all ages, occupations and servicemen overseas.

23. According to this registration, more than half the working population or 12,158,600 were engaged in agriculture. Manufacturing employed 4,831,317, transportation and communication 1,317,743, commerce 1,260,156 and public service and education 1,093,461.

24. The December 1945 employment pattern shows marked deviation from that of 1944 and tends to revert to the pre-war employment patterns shown by the 1930 and 1940 census. In particular, agriculture and forestry again account for about 50 percent of the employed as in 1930.

Employment in manufacturing and construction has dropped to 21.3 percent of the total, as compared with 28.9 percent in 1944 and 25.0 percent in 1940; it is close to the 19.9 percent figure of 1930.

The effect of widespread incendiary bombing on the destruction of small shops is revealed by the small percentage of individuals engaged in commerce, only 5.1 percent of the total, compared to 7.7 percent in 1944 and 15.0 percent in 1940.

25. The unemployment figure of 3,336,750 reported by the final returns, while higher than the preliminary figure, is still considerably lower than the actual number believed to be unemployed. The explanation advanced earlier by Japanese officials that a large number of the unemployed engaged in black-market operations had registered as being in commerce is not borne out by the relatively small commercial employment figure.

The 16 April 1946 employment census will require that each person indicate the number of days worked during the previous month. The answers to this question will permit a more comprehensive understanding of the employment situation.

26. Acknowledged unemployment as revealed in the 1 December 1945 registration was highest in Tokyo Prefecture with 20.0 percent of the registered population unemployed, in Osaka Prefecture 19.5 percent, Hyogo with 17.3 percent, Kanagawa with 17.1 percent, Hiroshima with 15.2 percent and Aichi with 15.1 percent. These compare with a national average of 11.9 percent.

27. The detailed data presented by the Ministry of Health and Welfare regarding the 1 December registration are being analyzed. A breakdown of employment by prefecture and industry and of unemployment by cause, sex, age and previous occupation will appear as a separate publication of SCAP.

COAL MINE LABOR

28. The program to recruit coal miners has been successful. The goal was 60,000 new miners by 1 January and 70,000 additional by 1 March 1946. Among the measures taken to improve recruitment was the mid-January increase of the rice ration to six go (approximately one quart) for the miner plus three go per dependent.

The average daily wage for the outside worker was raised to ¥ 10 and for the underground miner to ¥ 18. Special distribution of essential commodities at official prices has enhanced real wages. Absenteeism declined from 32 percent in early December 1945 to 21 percent in mid-January 1946. The breakdown showed:

COAL MINE LABOR (Daily average actually working)

<u>Period</u>	<u>Miners</u>
1 - 10 December 1945	145,579
11 - 20 December 1945	156,730
21 - 31 December 1945	167,308
1 - 10 January 1946	184,400
11 - 20 January 1946	199,083

29. In the three principal coal areas, Hokkaido, Kyushu and Joban, labor unions have been established in all the principal mines. In Hokkaido and Kyushu the unions formed regional federations and by the end of January each federation claimed 35,000 members. Negotiations concerning wage inequalities, ration and commodity distribution and working conditions have been taking place continuously in an orderly manner. There was no reported work stoppage in January.

30. Late in December the government established a Coal Board to investigate and make recommendations to stimulate production. The board is studying the adequacy and enforcement of mining and safety regulations. It is considering extension of its supervision to the approximate 1,000 lignite mines with a total capacity of 250,000 tons per month. About 60 percent of the lignite mines were operating at the end of January.

31. Inquiry during January disclosed that 300 to 800 prison laborers were being used in coal mines. In December there were

approximately 43,000 women working in coal mines. The regional distribution is given below:

WOMEN COAL MINE WORKERS
December 1945

<u>District</u>	<u>Underground</u>	<u>Above Ground</u>	<u>Total</u>
Hokkaido a/	220	8,500	8,720
Tohoku	1,153	1,774	2,927
Kanto	413	891	1,304
Kansei a/	60	170	230
Yamaguchi	613	2,217	2,830
Kyushu	<u>6,505</u>	<u>20,341</u>	<u>26,846</u>
Total	8,964	33,893	42,857

a/ Approximations.

SOURCE: Ministry of Commerce and Industry.

Present regulations permit women over 20 years of age to work in coal mines and those over 25 in mineral mines, subject to physical and mental qualifications and the permission of the Chief Inspector of the local Mining Bureau. The advisability of amending these regulations to eliminate female labor from coal mines is being studied.

RECRUITMENT OF SEAMEN

32. The inability of the Japanese Civilian Merchant Marine Committee to secure sufficient seamen to man the 209 ships being turned over to them for repatriating Japanese nationals from abroad appeared to threaten the program with serious delays. SCAP found it necessary to expedite the recruitment of such seamen.

33. Conferences were held with representatives of the Committee, the Ministry of Transportation, the Japan Seamen's Union and independent seamen. These conferences revealed that low pay, poor food, inadequate clothing, poor working conditions, lack of medical attention and inadequate orientation were discouraging seamen from applying for the repatriation service and resulted in discontent and desertion among those who had already reported.

34. The Committee and the Ministry of Transportation were directed to prepare a program for improving these conditions and to present a weekly report on the progress of recruitment. The Seamen's Union was asked to use its facilities for recruiting and orienting seamen. The Second Demobilization Ministry was requested to supply the Committee with a list of diesel-engine trained engineers who had been recently discharged from the Navy and were available for repatriation service.

35. The program presented for approval by the Japanese Civilian Merchant Marine Committee and the Ministry of Transportation has been tentatively put into operation. It does not fully meet the seamen's demands but provides for an increase of approximately 200 percent in take-home pay, an increase in rice and supplemental food and a partial supply of clothing.

The program did not grant other seamen's demands of a further increase in wages, specific measures for the improvement of living conditions in the pre-assignment "barrack ship", distribution of suitable surplus military and naval property or assignment of a doctor.

SPECIAL LABOR PROBLEMS

36. Two principal violations of workers' personal freedom which have been common in Japan in the past were the contract labor system which compelled the worker, in fact although not always in law, to complete a contracted term of employment and the dormitory confinement system which often deprived the worker of the freedom of movement outside working hours. Women and children have been the principal sufferers, particularly in the textile, ceramic and amusement industries.

37. The proportion of prison labor employed by private industry is insignificant but there has been an increasing tendency to use such labor in recent months. On 1 November about 4,200 convicts were laboring for private concerns. The Ministry of Justice estimated that the number had increased to 8,000 by the end of 1945. Rates charged private concerns for such laborers are below those paid free laborers in similar employment.

38. In the middle of January the staff of the Central Japanese Red Cross Hospital was accused by a group of doctors and employees of administering the hospital and nurses' training along militaristic lines. The Japanese practice of assigning retired generals to administrative and staff positions and treating the Red Cross as an adjunct of the military had not been discontinued.

As a result of conferences between the groups concerned and members of SCAP Headquarters numerous militaristic practices were eliminated. The Central Headquarters of the Red Cross has indicated its intentions of reorganizing the administration of the hospital.

SECTION 7

COMMUNICATIONS

C O N T E N T S

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1. The communications industries are making a slow recovery from disorganization resulting from the war. In view of the extensive damage time required for full rehabilitation of operating plant and of manufacturing facilities will be measured in years.

The operations and manufacture currently underway are threatened by shortages of repair parts, raw materials and labor. Communications employees report that costs of living continue to exceed wages.

WIRE COMMUNICATIONS

Occupational Services

2. The reorganization of the SIXTH and EIGHTH Army areas under a single command plus movements of Air Force Units necessitated extensive rearrangements of the military communication networks furnished over Japanese toll and exchange telephone and telegraph facilities.

3. In general there are adequate telephone and telegraph facilities available to meet occupational requirements but anticipated improvements in maintenance of toll plant used by the Army have not materialized. Inspection of trouble reports on both military and domestic circuits shows that the trouble rate is increasing due to the continued lack of certain critical repair parts and maintenance items.

4. There has been some over-all improvement in the operation of exchange and local telephone and telegraph facilities used by the Occupation Forces due to the limited reintroduction of prewar operating practices, to special emphasis being placed on maintenance and to slow but steady repair of war damages.

5. A program has been initiated to increase the use of Japanese civilians to perform signal duties in the various Army headquarters within the limits of military security. It is contemplated that Japanese operating and technical personnel will maintain exchanges used solely for occupational services, operate and maintain teletype and radio equipment, act as radio transmitter and receiver attendants and perform other duties.

6. Arrangements have been made for the Japanese to install tie cables and repair exchange equipment preparatory to changing from the present GHQ dial PBX to an 1800 line automatic exchange formerly used by the Japanese Navy.

Work has been started by the Japanese in assisting with the construction and loading of approximately 45 miles of cable in the northern Kanto Plain area to connect various units of the Fifth Air Force.

A coordinated program has been started to improve quality of telephone circuits used in the Armed Forces Radio System network.

A project has been initiated to establish a separate teletype circuit using Japanese telegraph facilities to connect various Japanese weather bureau district offices, the Army Airways Communications System and air fields of the Air Transport Command and Fifth Air Force in order to improve delivery of weather information.

Demilitarization

7. A small number of telephone and telegraph circuits of the former Japanese Army and Navy military communication systems are still being used by the Japanese First and Second Demobilization Ministries. These are necessary to complete demobilization of Japanese military forces.

The remainder of the original military networks now returned to the control of the Board of Communications has assisted materially in providing circuit relief in sections where Occupational Forces requirements are high.

Construction and Rehabilitation

8. Domestic construction and rehabilitation projects of interest to the Occupational Forces are progressing satisfactorily.

Major construction activities were confined to the Tokyo-Sendai carrier cable project; replacement of temporary construction in the typhoon and bomb damaged area in the vicinity of Hiroshima and Matsuyama; construction of carrier cable between Matsuyama on northwestern Shikoku and Karume on northern Kyushu; and work on the new carrier cable route on Kyushu south from Karume.

The first three of these construction projects are important to Occupational Forces since they involve repair of existing facilities and provision of alternate routes in areas subject to seasonal service interruptions in which military requirements are considerable.

9. Rehabilitation of exchange plant and offices has been confined largely to making repairs to facilities which suffered severe war damage and to improving general conditions in building interiors.

Exchange and toll cable repair has been limited to main trunk routes, particularly those affecting occupational services. As a precautionary measure the Board of Communications has been asked to investigate the feasibility of placing certain cables under gas pressure where conditions are known to be bad.

Cable Ships

10. Three cable ships now available for submarine cable repair activities are:

(1) TSURUSHIMA MARU, 1,700 tons: now enroute to the Matsuyama area to make cable repairs on the submarine section of the carrier cable between Matsuyama and Kure.

(2) OSEI MARU, 600 tons: scheduled to make cable repairs in the Bungo Strait area between the islands of Shikoku and Kyushu.

(3) ESTOKU MARU, power cable barge: made repairs on submarine cables along the east coast of Kyushu in the Aki-Kanazaki area. The barge is now scheduled to assist in the Matsuyama-Kure cable repair.

Maintenance

11. Maintenance of exchange plant used for domestic purposes has slightly improved, particularly in the larger metropolitan areas. Improvement has been due mainly to the return of experienced personnel from military service.

A school for central office technicians and instructors has been opened in Tokyo for about 50 students. It is well equipped and provides an excellent course of training.

12. Since toll plant maintenance has not been satisfactory, the Board of Communications has assigned experienced engineers throughout Japan to direct improvements.

13. The problem of heating telephone and telegraph buildings was temporarily and partially alleviated by the installation of electric heaters.

Labor

14. The likelihood of work stoppages was decreased because of wage adjustments, improved working conditions, better housing and additional food rations obtained by the Board of Communications for communication employees.

15. The return of a limited number of experienced exchange maintenance technicians has aided the service improvement program but further relief from the shortage of trained personnel from repatriation sources will be slight.

Rate Structure

16. Translated copies of the tariff schedules for communication services have been furnished by the Board of Communications and the rates, rules and regulations have been summarized in a report for the information and use of occupation agencies.

17. Supervision and control of the telephone and telegraph tariff has been exercised by the Board of Communications and a marked degree of uniformity prevails. The general over-all rate structure compares favorably with modern foreign rate structures but the number of services offered is extremely limited.

Distinctive features of the schedules include classification of telephone exchanges in 12 classes with rates uniform for each class; a single rate for business and residence service; use of actual line mileage in the determination of circuit length instead of air-line distances; a high restrictive charge for installation of telephone service; a single uniform rate for telegrams to all points throughout Japan; long distance calls handled on a station-to-station basis with charges the same for day and night service; and long distance charges made on units of three minutes each with no reduction in unit cost after the first three-minute period.

RADIO COMMUNICATIONS

Broadcasting Administration

18. Personnel for the Advisory Committee for Broadcasting.

consisting of 17 representatives from all walks of life, were selected by the Board of Communications from candidates approved by SCAP. Tsunego Baba, new president of Yomiuri Newspaper Company and noted Japanese liberal, was elected temporary chairman.

The Board of Communications was used in planning and designating the committee but will act further only in such normal governmental functions as the allocation of frequency and specification of power output.

19. At its opening meeting in Tokyo the committee heard representatives of SCAP state the general occupation objectives and their relation to the organization and operation of broadcasting services.

The committee will advise in the reorganization of the Broadcasting Corporation of Japan. The Japanese Board of Information no longer has any function in the corporation.

20. The committee submitted a list of three prospective nominees for the office of president of the Broadcasting Corporation. Final selection will be made by the committee after screening of the candidates by SCAP.

21. The Employees' Union of the Broadcasting Corporation has continued to show a lively interest in the corporation's reorganization and in the formation of the Advisory Committee. Its recommendation that the corporation's charter and by-laws be revised to eliminate the persistent deference to the "controlling government authorities" has been approved by the president and board of directors of the corporation.

The union recently adopted a resolution requesting a 300 percent pay raise and a labor contract with the corporation. The reduction in fees due to the large number of inoperative radio receivers has resulted in a decrease in the Broadcasting Corporation's revenue.

Broadcasting Networks

22. Network Number One of the Broadcasting Corporation of Japan consists of eight central stations, 35 local stations with studios and 42 stations consisting only of transmitters for relaying programs to listeners.

Network Number Two is composed of eight stations located at the eight broadcasting centrals.

The Armed Forces Radio has 14 stations operating.

23. Increases and improvements in services have been obtained largely by redistribution of existing facilities, including transmitting and studio equipment that was formerly employed in standby or auxiliary operation and from salvaged Japanese military equipment.

24. The transmission time for December represents a new high, totalling 500 hours for the month on Network Number One and 159 hours on Network Number Two.

International Circuits

25. Telephone service between Tokyo and the United States was re-established on 11 January 1946. Service at this time is restricted to certified emergency calls from Tokyo to the United States by military and accredited civilian personnel. It has been

found appropriate to limit all calls to 15 minutes and at times to 10 minutes.

These restrictions are believed justified under existing conditions, but the situation will be reviewed frequently with the idea of removing any restrictions no longer necessary. Observations indicate this service has had a beneficial effect upon the morale of United States military and civilian personnel.

Calls to the United States are set up only in Tokyo, and previous to the time set up the called party is notified that the call is to be made. This method insures maximum use of the circuit. Calls are now scheduled from 0800 hours to 1100 hours and 1500 hours to 1900 hours.

During 11-31 January, 327 calls were completed, an average of 16 calls per day. The average length of a conversation was seven minutes.

26. On 10 January 1946 radio telegraph service was restored between Osaka and London. This will enable accredited British subjects in Japan to send Sender Composition and Press Messages to points in England via London.

Messages filed at the telegraph office in Tokyo are relayed to the sending station in Osaka. At present no plan has been worked out to bring about a settlement in accounts between British Cable and Wireless and the Japanese Government.

27. A comparison of the overseas radio telegraph traffic for the months of December and January follows:

OVERSEAS RADIO TELEGRAPH TRAFFIC
(Messages)

	<u>December 1945</u>	<u>January 1946</u>
Tokyo-Keijo	117	15
Tokyo-Taihoku a/	116,023	497
Tokyo-Geneva	813	1,174
Tokyo-Moscow	316	782
Tokyo-Stockholm	264	435
Tokyo-Lisbon b/	5	0
Tokyo-San Francisco	113,058	49,229
Osaka-London	0	30 c/

a/ Discontinued 3 January.

b/ Discontinued 29 January.

c/ 13-20 January, only.

Domestic Radio Communications

28. The First Demobilization Ministry closed nine more radio stations it no longer required and applications to open several stations were denied by this Headquarters. The number of former Japanese Army stations in service was reduced from 43 to 34, of which 26 are in Japan, two in Korea, and six in other areas.

29. There was no change in the Second Demobilization Ministry radio circuits. The 22 stations in Japan and nine in other areas continued to carry traffic for Japanese repatriation shipping and for mine sweeping vessels.

30. Communication facilities of the Japanese General Central

Meteorological Observatory (Weather Bureau) were surveyed to determine which ones are required to provide adequate weather service to the Occupation Forces.

The radio facilities in the present system include seven stations and 27 point-to-point radio circuits. The latter are used to supplement wire lines and their continued operation is necessary for the present.

31. Since November the Lighthouse Bureau of the Ministry of Transportation has made temporary repairs to four additional radio beacon and direction finding stations. This increases the number of operating ship-to-shore navigational aid stations to eight of a total of 17 available for placement in service.

The nine stations not now operating are suffering mainly from damage to the direction finding equipment, batteries and power units. There is also an acute shortage of transportation to the isolated stations and fuel for the generator units.

32. A survey of private radio stations indicates 26 stations in use by the various Fishing Guilds in Japan. In addition, two private stations are operated by the Mitsubishi and Kawasaki radio manufacturing plants at Kobe as manufacturers' test stations.

33. As it is necessary to continue certain radio operations service for the Occupation Forces, the radio equipment and technical personnel of the Wireless Section of the disbanded Aeronautical Bureau were transferred to the Board of Communications.

34. There is urgent need for a communications net to provide for messages between Japanese ships at sea and the ports of Japan. A complete new plan for marine communications drawn up by the Board of Communications combines the use of the radio stations of the Second Demobilization Ministry, coastal stations of the Board of Communications and certain of the private stations owned by the Fishing Guilds.

In providing a more adequate communications system the service of the coastal and repatriation ships will be improved. The network will be valuable in passing information concerning sailings, cargoes, destinations and dispatches to and from shipping control authorities.

35. Two additional transmitters of the Second Demobilization Ministry station at Funabashi, Chiba Prefecture, were made available to Army Air Forces to supply the Tokyo terminal of a Tokyo-to-Shanghai circuit.

Arrangements were also made for messages to Allied intelligence officers working with the various police departments throughout Japan to be dispatched over the National Police radio network.

POSTAL COMMUNICATIONS

36. Investigation has been undertaken of the transmission time for mail within Japan and of the feasibility of reopening international mail channels. Data secured thus far with respect to the routing of mail from Japan to foreign countries indicate that transportation facilities for mail are sufficient to handle the expected volume of mail.

For the survey of transmission time of mail between various points in Japan, 30 towns have been selected, chiefly in mining or industrial areas. The Board of Communications is conducting

this study and is expected to determine the cause of delays in the transmission of mail throughout Japan.

37. Problems in finance, censorship and general operations of the postal system will require the collecting of additional information.

Preliminary figures are available to indicate that the scope of postal activities, including savings and insurance, are large. The Post Office Savings Bank as of 26 November 1945 is reported to have almost 200,000,000 accounts involving nearly ¥ 40,000,000,000.

The post office life insurance business includes ordinary, endowment and infant policies. Maximum amounts of ¥ 2,000 per person have been established. Premiums collected per month are reported to aggregate over ¥ 100,000,000.

COMMUNICATIONS MANUFACTURING AND SUPPLY

38. A system has been established under which the Ministry of Commerce and Industry will report production accomplishments monthly, with a running forecast of production for the following 12 months. Improvements in production prospects will thus be promptly evident. The first report is due in February.

39. A supplemental memorandum to the Japanese Government was issued with the objective of attaining more rapid progress in production of radio receivers. This memorandum approved the official production goal of 3,100,000 receivers; requested supplementary information concerning allocations of materials to accomplish the production goals; and placed limitations on the production of all-wave sets and radio phonograph combinations. Limitations on the production of more elaborate equipment were established to provide more materials for small receiving sets.

Latest estimates show that the number of companies participating in receiver production has now increased to 48. The top five produce over 50 percent of the output of the industry.

40. Receiver tube production estimates indicate that the 12 companies participating will turn out 20,000,000 tubes in 1946. These figures are believed to be high and will require optimum conditions to be fulfilled. Lack of receiving tubes continues to be the limiting factor in the production of radio receivers.

41. Transmitter tube production, critical types in particular, lagged behind schedule. Faulty materials resulted in a high percentage of rejected tubes. The shortage of certain transmitting tubes presents a threat to continued efficient operation of radio communications and broadcasting facilities.

42. Telephone production schedules indicate that 45,000 instruments will be produced during the first quarter of 1946. Due primarily to the shortage of plastic materials, it is doubtful whether this schedule will be met.

Telephone switchboard equipment has been produced only in limited quantities. Lack of raw materials and parts are the principal difficulties.

Communication cable production is progressing satisfactorily. Manufacture of the cable for the Tairo-Sendai project has been completed.

Financial Structure and Control

43. Accounting data from the 10 largest manufacturers of communications equipment in Japan have been compiled into American forms of balance sheets to permit analysis of financial structure and possible difficulties confronting communications manufacturers.

The data now available for each company include the following: description and history; balance sheet information as of 30 September 1945, with schedules of accounts receivable, inventories, investments, war damage, fixed assets, bank loans and debentures; and a summary of profit and loss from 1 January 1936 through 30 September 1945.

44. Japanese Army and Navy signal communications equipment suitable for civilian use continued to be turned over to the Home Ministry.

45. To date 74 Japanese Army-Navy radio stations which are not being used have been reported to this Headquarters by Occupation Force units. Reported stations of this type have been ordered dismantled and the usable equipment so obtained is being released to the Home Ministry.

46. On 10 January the Japanese Board of Communications was directed to submit a weekly report showing the progress made in the distribution of the critical items of returned equipment. On the three reports which have been submitted the increase in the rate of distribution has been encouraging except on generators, telephones and tubes. The amount of equipment received and distributed by the Home Ministry is indicated in the following table:

DISPOSITION OF RETURNED JAPANESE
ARMY-NAVY SIGNAL COMMUNICATION EQUIPMENT
26 January 1946

		Total Received <u>To Date</u>	Total Distributed <u>To Date</u>	Percent Distributed <u>To Date</u>
<u>Unit</u>				
Wire				
Switchboards, misc.	each	119	38	32
Telephones	each	2,237	55	3
Telegraph sets	each	5	0	0
Cable, lead covered meter		108,100	106,900	99
Radio				
Transmitters	each	28	7	25
Receivers	each	283	25	9
Tubes, assorted	each	32,151	4,610	14
Power				
Generators	each	78	0	0

SOURCE: Board of Communications.

47. The primary causes of delay in distribution have been the shortage of experienced men to control the distribution and organizational weakness.

Both of these problems are nearing solution. The necessary specialists have been obtained and arrangements, effective on 1 February, will provide the close liaison necessary for a more rapid and equitable distribution of the equipment.

SECTION 8

RATIONING AND PRICE CONTROL

C O N T E N T S

	Paragraph
Food	3
Clothing	18
Fuel	21
Lumber	30
Price Controls	33

1. The effectiveness of the rationing and price control program has been hampered by weaknesses in the distribution system.

Staple food products in particular are being withheld from government collection agents with the result that certain urban areas are suffering from food shortages.

2. The government has begun to raise the official prices of certain commodities and to tighten distributional controls. The new price levels have a closer relationship to existing conditions, which encourages legitimate dealers to release their present inventories and should curtail hoarding.

FOOD

Collection

3. From 1-10 January 1946 collection of staple foods from farmers reached 66 percent of planned collections. December figures showed 56 percent.

Supply

4. Food supply in the major cities of Honshu improved slightly. Supplies in the four main cities of Hokkaido dropped to critical levels. A comparison of the food supply in the major cities of Honshu and Hokkaido is illustrated in Chart No. 24. The reduced capacity of the railway ferry between Aomori and Hakodate and poor harvests caused by inclement weather have prevented the accumulation of foodstocks in Hokkaido. Food is being shipped by sea from the ports of Funakawa and Sakata in Honshu to Otaru in Hokkaido to relieve this situation.

The shipping schedule of foodstuffs from Honshu to Hokkaido during January follows:

SHIPPING SCHEDULE
January 1946

<u>Origin of Shipment</u>	<u>Shipment (metric tons)</u>
Miyagi	6,000
Akita	6,000
Yamagata	6,000
Niigata	1,500
Toyama	4,500
Kumamoto	<u>1,500</u>
TOTAL	25,500

SOURCE: Bureau of Staple Food Administration, Ministry of Agriculture and Forestry.

5. A report of food stocks by prefecture and by city as of 10 January submitted by the Ministry of Agriculture and Forestry reveals that the current low levels in various localities are the result of poor distribution. The supply of staple foods owned by the government and by the Prefectural Food Controlling Corporation, as shown in Chart No. 25, varies from a two-day supply in Hokkaido to a 165-day supply in Okayama prefecture. These stocks do not represent quantities held by farmers and agricultural associations which have not been sold to the government.

Consumption

6. Data on actual urban food consumption have been obtained through a nutritional survey supervised by SCAP. This survey included 16,020 families in Tokyo, constituting 0.5 percent of a representative cross-section of the population. The average daily caloric intake in December 1945 was 1,970 calories. Foodstuffs constituting the average diet of these families are shown in Chart No. 26.

Sources of foodstuffs consumed by these Tokyo families are indicated in Chart No. 27.

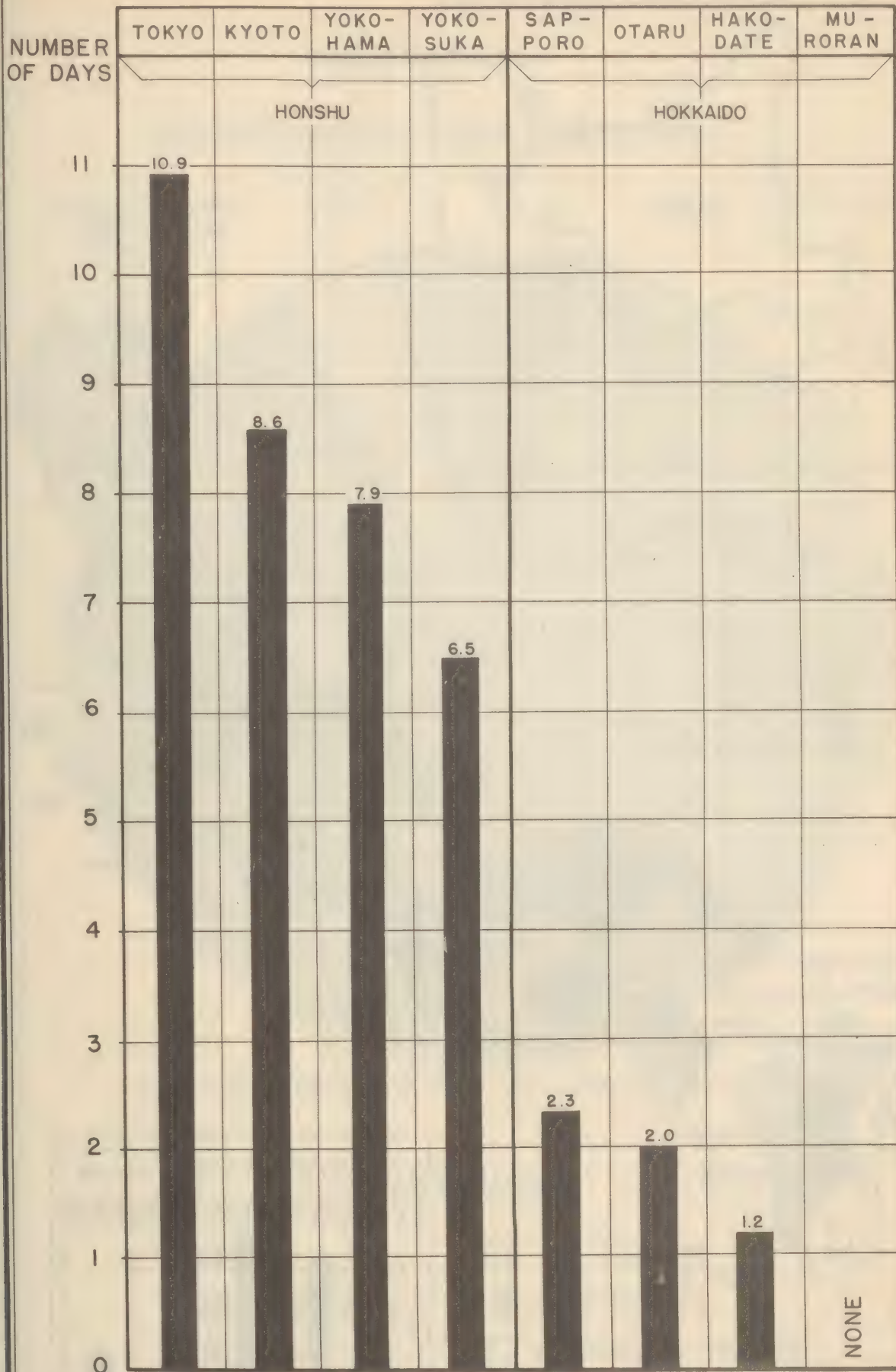
Imports

7. A shipment of 1,000 tons of wheat and flour arrived in Tokyo from Manila on 25 January.

Vegetables

8. Amounts of vegetables entering Tokyo daily from August through December 1945 are indicated in Chart No. 28.

9. The quantity of fresh vegetables distributed in Japanese cities during December represented an increase over October figures. The increased distribution of vegetables in six major cities is shown in the following table:



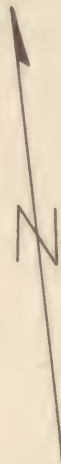
NOTE: DATA GIVEN BY AVERAGE NUMBER OF DAYS' SUPPLY ON HAND DURING JANUARY IN MAJOR CITIES.

SOURCE: MINISTRY OF AGRICULTURE AND FORESTRY — BASED UPON INCOMPLETE RETURNS

FOOD SUPPLY ON HAND

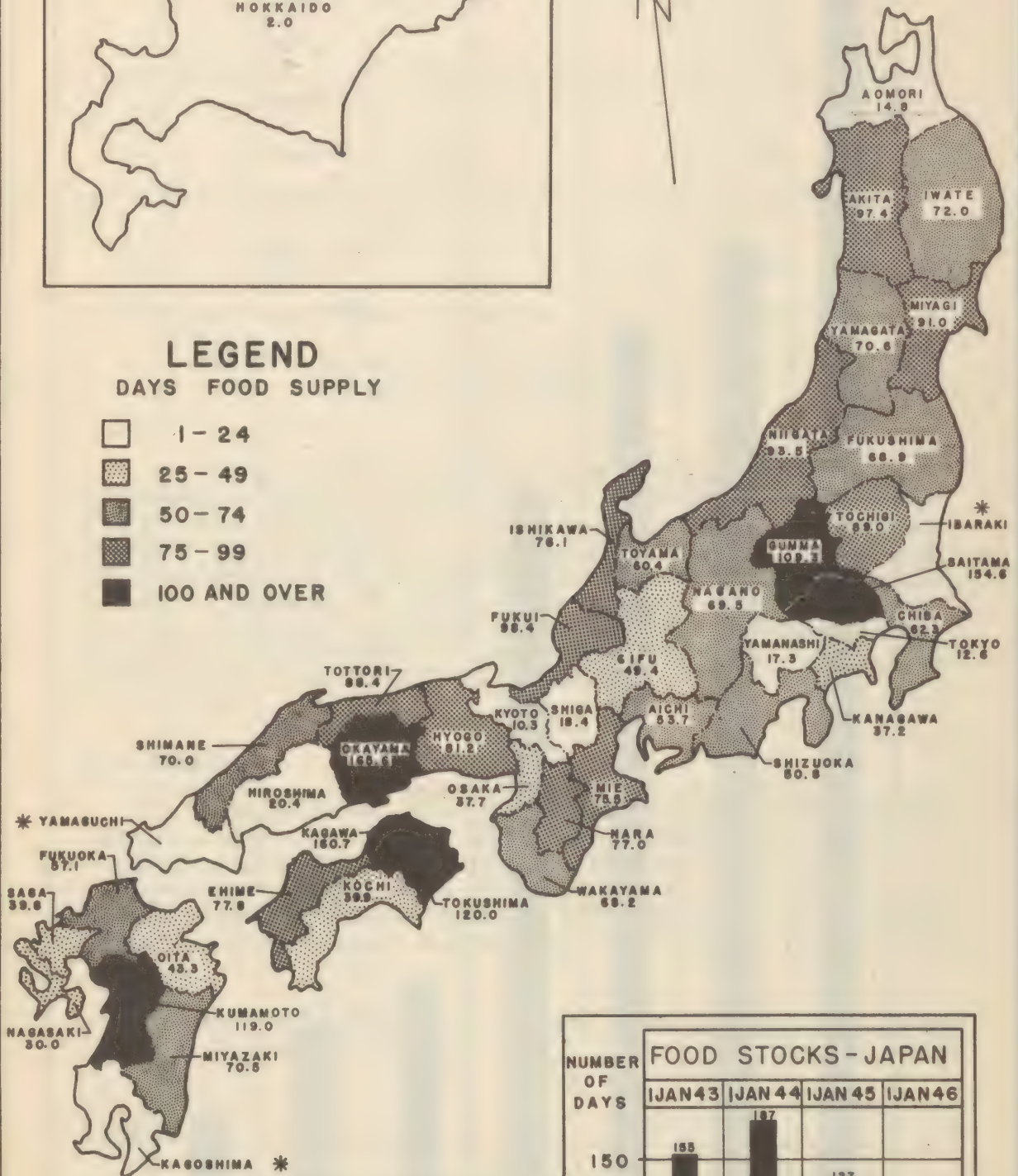
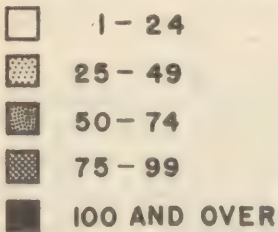
JANUARY 1946

JAPAN

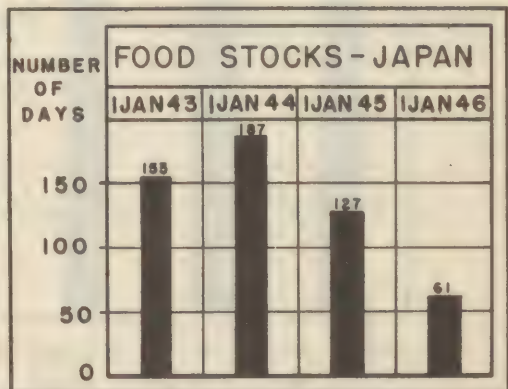


LEGEND

DAYS FOOD SUPPLY



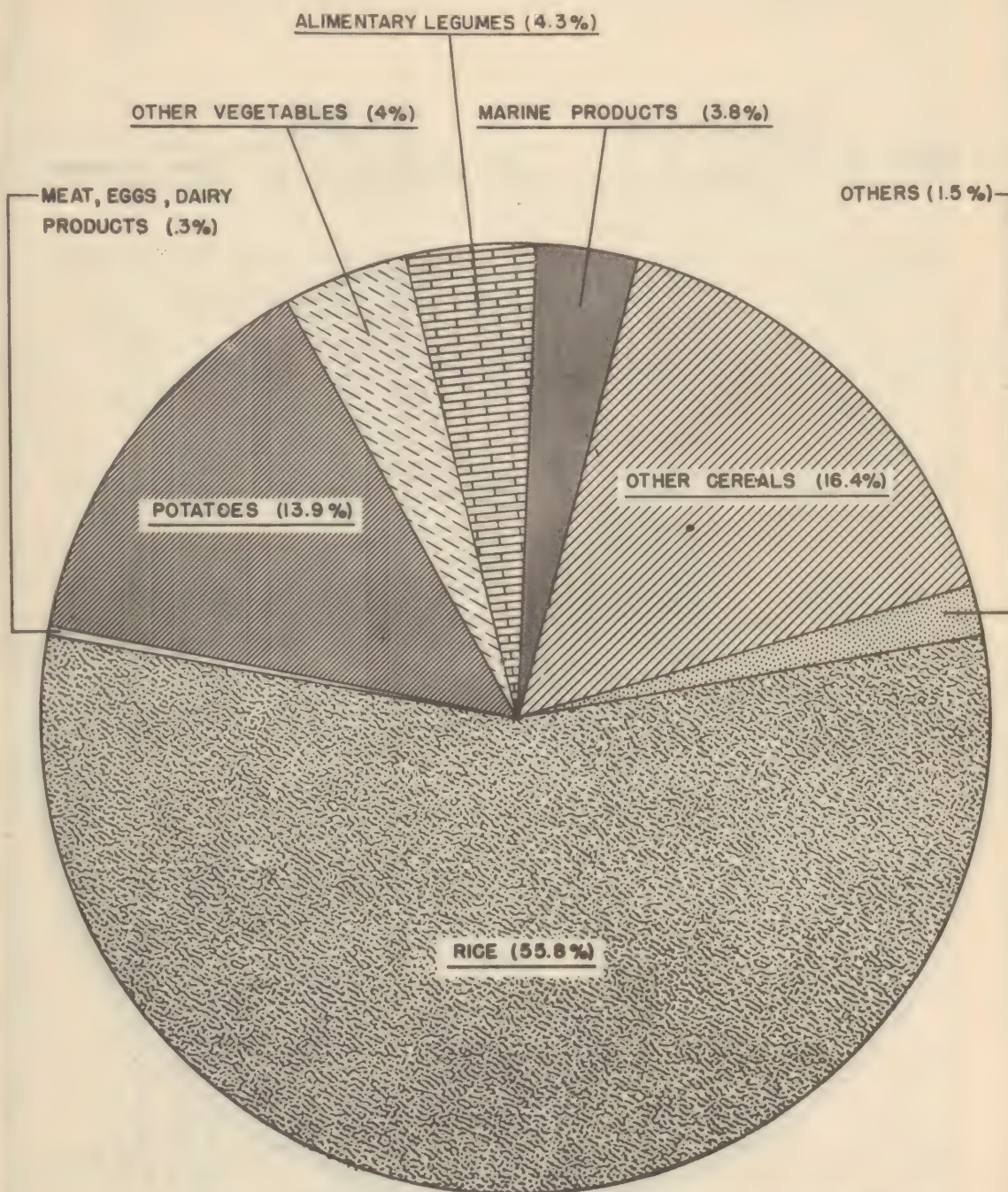
* NO REPORTS AVAILABLE
FOR YAMAGUCHI, IBARAKI
AND KAGOSHIMA



SOURCE: MINISTRY OF AGRICULTURE AND FORESTRY.

GOVERNMENT CONTROLLED FOOD STOCKS

DAYS SUPPLY BY PREFECTURES (10 JANUARY 1946)
JAPAN



FIGURES REPRESENT PERCENTAGE OF CALORIC INTAKE DERIVED FROM EACH CLASS OF FOOD

LEGEND

	RICE		OTHER VEGETABLES
	OTHER CEREALS		MARINE PRODUCTS
	POTATOES		MEAT, EGGS, DAIRY PRODUCTS
	ALIMENTARY LEGUMES		OTHER FOODS

* EXCLUDING IMPORTS

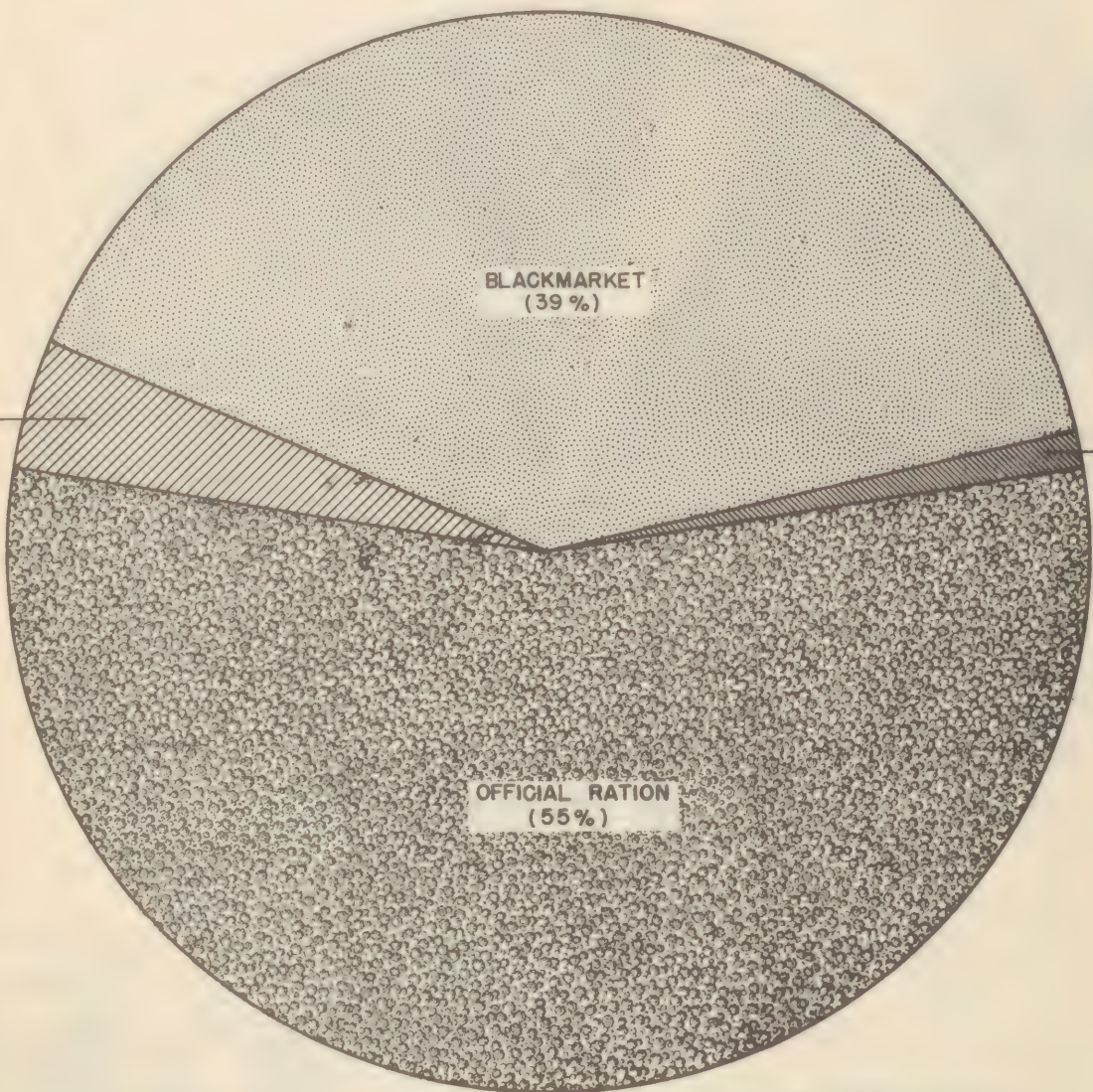
BASED ON A SUPERVISED SURVEY OF 16,020 TOKYO FAMILIES

COMPOSITION OF JAPANESE FAMILY DIET*

DECEMBER 1945

GIFTS
(5%)

HOME GARDENS
(1%)



LEGEND

 OFFICIAL RATION
 BLACKMARKET

 HOME GARDENS
 GIFTS

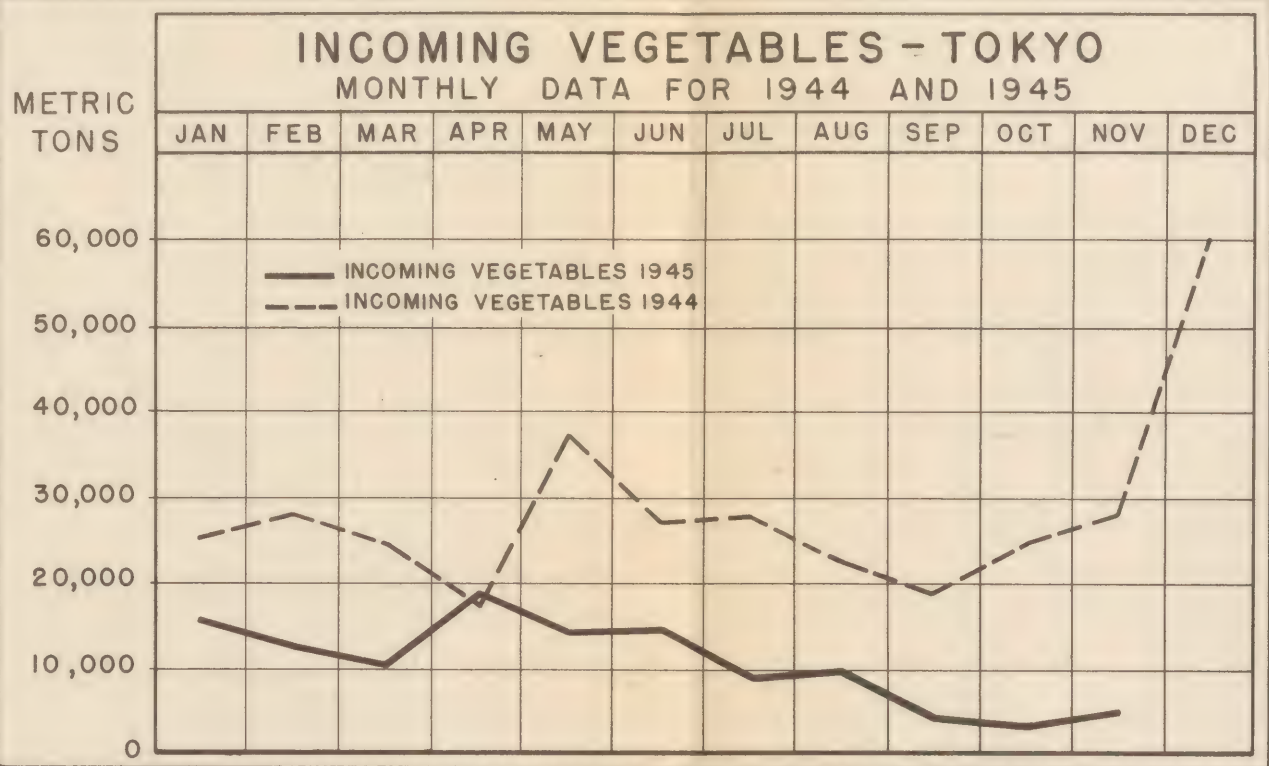
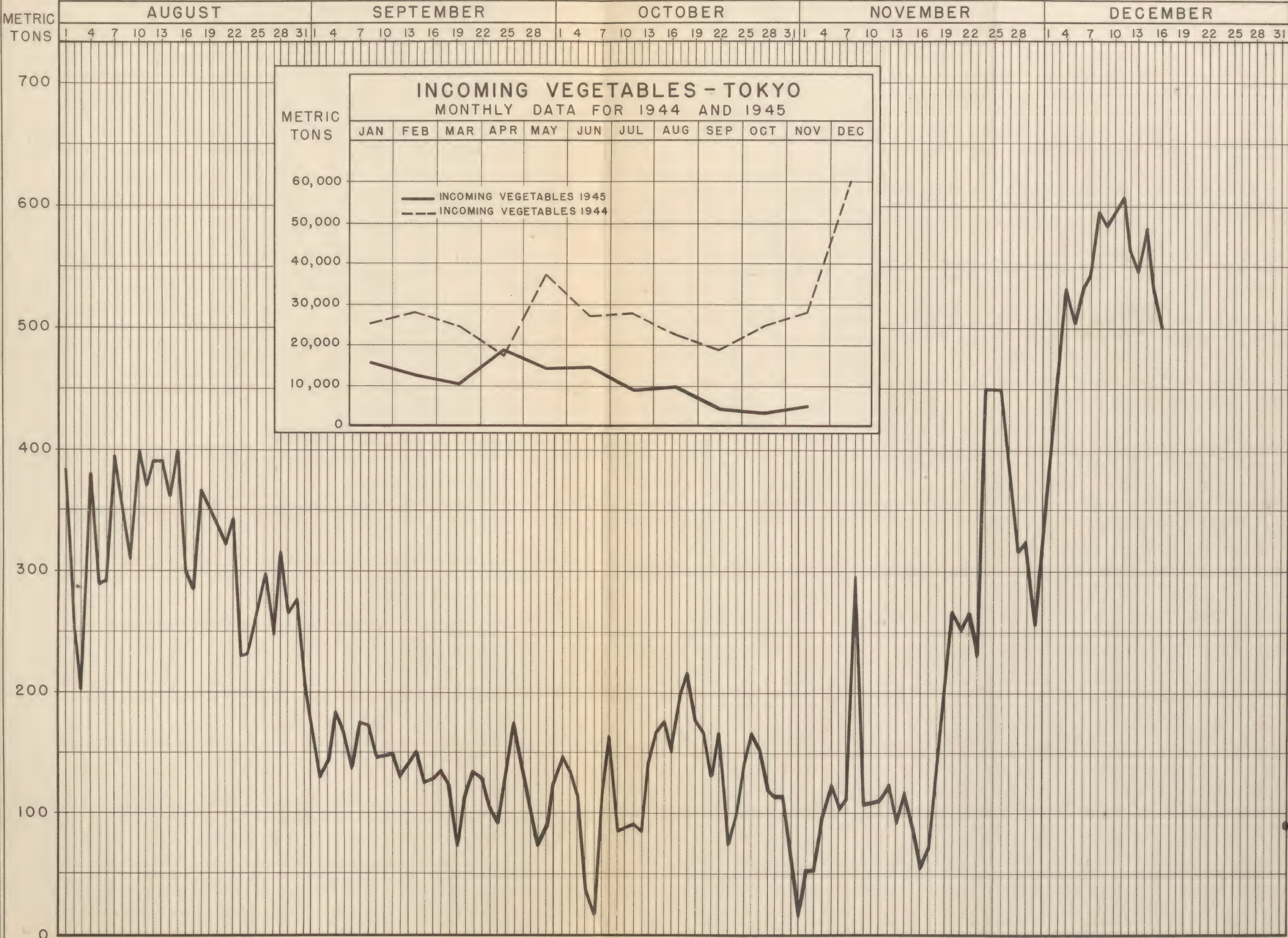
BASED ON A SUPERVISED STUDY OF 16,020 FAMILIES IN TOKYO

SOURCE OF A TOKYO FAMILY'S FOOD

DECEMBER 1945
JAPAN

INCOMING VEGETABLES - TOKYO

DAILY DATA FOR AUGUST TO DECEMBER 1945



DISTRIBUTION OF FRESH VEGETABLES
October and December 1945
(metric tons)

<u>City</u>	<u>Quantity Distributed during October</u>	<u>Quantity Distributed during December</u>
Tokyo	4,482	18,560
Kyoto	2,252	5,652
Osaka	1,335	4,141
Yokohama	769	2,366
Nagoya	1,530	2,186
Kobe	1,075	2,060

SOURCE: Ministry of Agriculture and Forestry.

10. The accompanying price increase has been severe, varying from 50 percent to 700 percent for vegetables with an overall increase of approximately 500 percent. The trend of prices of three important vegetables is shown in Chart No. 29.

11. In Tokyo, Yokohama and Nagoya prices for produce carted to market by nearby farmers have been set by a controlled auction procedure. In late December the Ministry of Agriculture and Forestry ordered the discontinuance of the auction system. The action was prompted by the fact that this is the beginning of a period of short supply.

Standard prices have been established in Tokyo since 13 January. These prices are set each 10 days by representatives of the Fruit and Vegetable Control Company, Retail Dealer's Association, the Tokyo-Metropolitan government and the national and prefectural agricultural associations. Prices set for the initial period are higher than the average prices determined by auction in December but lower than those prevailing in the first two weeks of January when the seasonal shortage was felt. Some variation in price is allowed for different grades of vegetables.

12. Any plan of price control or rationing of fresh vegetables is complicated by the large seasonal fluctuations in supply. The winter low period is normally eased by the release of sweet potatoes stored in underground bins from the harvest season. The stocks of sweet potatoes have been depleted to a much greater extent than usual as they have been the principal black market supplement to the rationed diet.

The major suppliers of vegetables are farmers in nearby areas who transport their own produce to market and are therefore subject to little effective control by their agricultural associations or the government. The Japanese Government has not been successful in implementing the link system of distribution of farmers' requirements in proportion to their cooperation in the staple food collection program.

Fish

13. The increase in the quantity of fresh fish distributed through official channels has been considerably less than the increase in distribution of vegetables. The quantity of fish distributed in five major cities during October and December is shown in the following table:

DISTRIBUTION OF FRESH FISH
October and December 1945
(metric tons)

<u>City</u>	<u>Quantity Distributed during October</u>	<u>Quantity Distributed during December</u>
Tokyo	1,115	2,605.7
Osaka	552	1,739.9
Kobe	1,571	714.1
Nagoya	434	461.3
Yokohama	134	433.2

SOURCE: Ministry of Agriculture and Forestry.

14. Fish is rationed through the neighborhood associations in the same informal manner as vegetables. Because of the exorbitant prices an even higher percentage of people refuse the option of buying their ration of fish. Over half of the fish is sold in the free market with the result that fish has not been distributed equitably and many persons are having increasing difficulty in buying fish.

15. The revised plan for distribution of fish has not worked out too satisfactorily. The procedure stipulated that distributional controls would be maintained and that all fish would be marketed through fishing associations or their equivalent, through the public markets in the large cities and through the established ration channels.

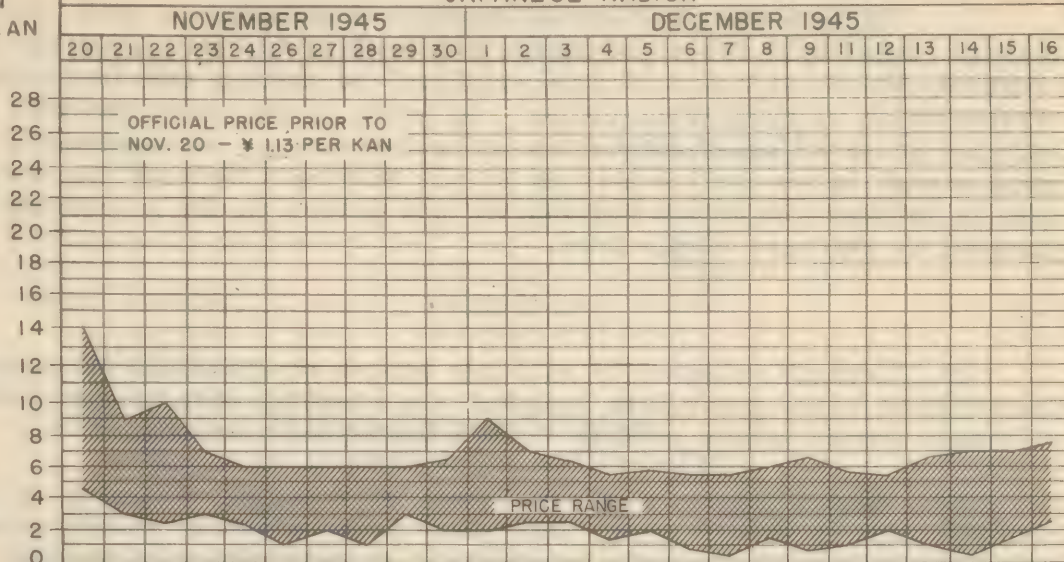
Instructions of the Ministry of Agriculture and Forestry to the prefectural governors had the effect of abolishing the provisions of the Sea Products Controlling Regulation which had required fresh fish to be distributed through controlled channels. In practice fishermen have been free to sell to whomever they desired.

16. Fish allocated under the revised link system have been arriving in Tokyo since 13 January. They are being sold at the prices agreed upon for the link system. Fish caught in excess of the quota established by the link system are sold in the open market at considerably higher prices. There are complaints that the less desirable species of fish, sometimes in poor condition, are being used to fulfill the link system quotas.

17. The Japanese Government decided to re-establish ceiling prices on perishable foods. The cabinet approved an emergency Imperial Ordinance which provides legal authority for reimposing ceiling prices and distributional controls. The Bureau of Fisheries and the Bureau of Foodstuffs are preparing plans for re-establishing price ceilings and the legal basis for a government plan of allocating fish.

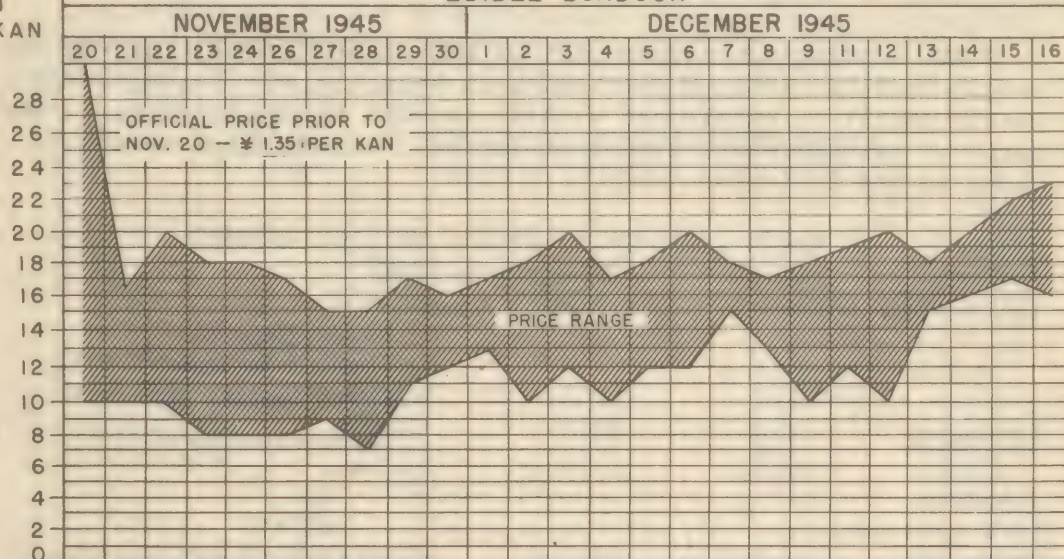
YEN
PER KAN

JAPANESE RADISH



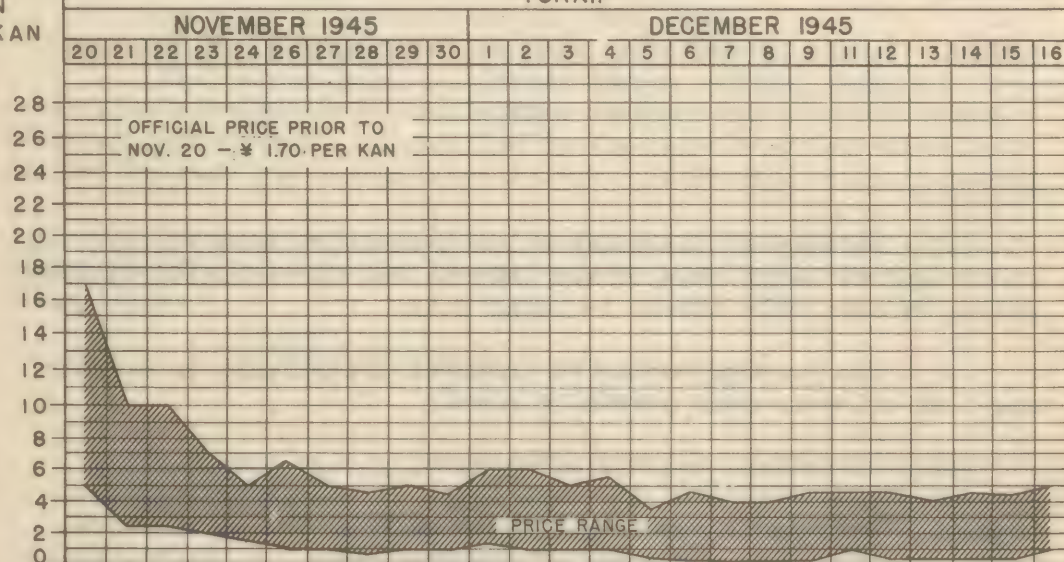
YEN
PER KAN

EDIBLE BURDOCK



YEN
PER KAN

TURNIP



SOURCE: BUREAU OF FOODSTUFFS, MINISTRY OF AGRICULTURE AND FORESTRY

NOTES : (1) PRICES OF FRESH VEGETABLES UNFROZEN 20 NOV 1945

(2) 1 KAN = 3.75 KG.

WHOLESALE PRICE RANGE OF THREE COMMON VEGETABLES

20 NOV TO 16 DEC 1945 - TOKYO, JAPAN

The present view of the Japanese Government is that the people, especially urban consumers, now realize the necessity for controls which will make it more practical to enforce the controlled distribution of these commodities. In spite of the practical obstacles involved the distribution of perishables at reasonable prices must be controlled because of the adverse effect of the disparity between perishable and staple food prices on the government's program to purchase staple food.

CLOTHING

18. Current releases of military stocks of clothing, blankets, bedding and piece goods have improved the clothing outlook for 1946 although stocks remain greatly below minimum requirements.

19. Recent reports from the Bureau of Textiles, Ministry of Commerce and Industry, reveal that many of the military stocks which had entered illegal channels immediately on termination of the war have been collected and placed under proper control. Other stocks are being investigated in order to prevent illicit transfer.

20. During the latter part of 1945 approximately half of the people needing clothing received bare essentials. Present stock levels cannot be maintained without imports of raw materials. The ratio of present stock levels to current minimum requirements is shown in the following table:

RATIO OF CLOTHING STOCKS TO REQUIREMENTS
31 January 1946

<u>Commodity</u>	<u>Percentage of Current Minimum Requirements on Hand</u>
Blankets	25
Work dresses	50
Tabi	25
Elementary school uniforms	50
Bedding	20

SOURCE: Bureau of Textiles, Ministry of Commerce and Industry.

FUEL

Charcoal

21. Because of the present low production rate of charcoal no attempt is being made to set quotas, but an equitable distribution of available stocks is being made.

The average amount of charcoal distributed in January was 1.68 kilograms per person.

22. Government control of charcoal prices involves the determination of a price for each stage in the distributional process. Throughout Japan the prices paid by the agricultural associations to the producers of charcoal are:

PRICES PAID BY AGRICULTURAL ASSOCIATIONS
January 1946

<u>Type of Charcoal</u>	<u>Price per Bale a/</u>
Hard	¥ 8.50
Mixed	8.00
Pine	7.90
Ground (powder)	6.15

a/ 15 kilograms.

SOURCE: Bureau of Charcoal and Firewood,
Ministry of Agriculture and Forestry.

From 1 December 1945 to 31 January 1946 the government paid two yen per bale in addition to the above prices in order to encourage producers to sell through approved distributional channels.

23. Prices charged by agricultural associations to the Fuel Distribution Association, which receives the charcoal in the rail yards and delivers it to the neighborhood associations, follow:

PRICES PAID BY FUEL DISTRIBUTION ASSOCIATION
January 1946

	<u>Hard Charcoal</u>	<u>Mixed Charcoal</u>	<u>Pine Charcoal</u>	<u>Ground (powder) Charcoal</u>
3 prefectures	¥ 10.15	¥ 9.35	¥ 9.25	¥ 6.60
28 prefectures	10.30	9.50	9.40	6.60
8 prefectures	10.45	9.65	9.55	6.60
7 prefectures	<u>10.65</u>	<u>9.85</u>	<u>9.75</u>	<u>6.60</u>
Average				
46 prefectures Price	¥10.39	¥ 9.56	¥ 9.49	¥ 6.60

SOURCE: Bureau of Charcoal and Firewood,
Ministry of Agriculture and Forestry.

The prices per bale listed above include transportation costs from agricultural associations to rail yards at the place of final destination. The prices in non-producing and heavily populated areas are higher than those in producing areas.

Transportation costs from the railheads to the neighborhood associations added to the price per bale at the railhead are shown below:

TRANSPORTATION COSTS OF CHARCOAL
January 1946

	<u>Transportation Cost per Bale</u>
7 prefectures	¥ .35
24 prefectures	.50
7 prefectures	.65
8 prefectures	.75

SOURCE: Bureau of Charcoal and Firewood,
Ministry of Agriculture and Forestry.

24. The last increase in the price of charcoal was made on 1 December 1945. With the 1940 average as 100 the index of the existing price of charcoal is 501.

Coal

25. The coal allocation plan for February is shown below:

COAL ALLOCATION PLAN February 1946 (metric tons)

<u>Planned Use</u>	<u>Amount Allocated</u>
Mine consumption	231,000
Production of materials necessary for coal production	20,000
Ship bunker coal	59,000
Allied Forces in Japan	97,000
Export to Hongkong	18,000
Export to Korea	70,000
Railroads	524,600
Iron and steel manufacturing	56,700
Gas and coke	71,500
Ammonium sulfate for fertilizer	80,800
Salt	20,000
Heating in Hokkaido	71,000
Lime and briquette	43,400
Electrical generation plants	27,000
Paper for newspapers	13,000
Paper for currency	2,100
Medical supplies	3,400
Hospital	10,000
Foodstuffs	20,000
Film	700
Liquid chlorine	1,300
Soda	6,000
Sake	3,700
Textile industry	5,000
Coke for domestic consumption	15,000
Cement	2,000
Glass	5,000
Pottery	2,000
Miscellaneous uses	<u>11,800</u>
Total	1,491,000

SOURCE: Coal Board, Ministry of Commerce and Industry.

26. The supply of coal available for distribution during February is shown in the following table:

SUPPLY OF COAL AVAILABLE FOR DISTRIBUTION
February 1946
(1,000 metric tons)

<u>Source</u>	<u>Hokkaido</u>	<u>Eastern</u>		<u>Western</u>	<u>Kyushu</u>	<u>Total</u>
		<u>Honshu</u>	<u>Honshu</u>			
Production	275	150	75	646	a/1,146	a/
Shipment from:						
Mines	36	-	15	121		172
Rail yards	37	-	-	-		37
Shipping ports	-	-	-	73		73
Army and Navy supply depots	-	-	37	26		63
Total	348	150	127	866		1,491

a/ Contains 36,000 metric tons actually produced in January but not included in January allocation figures. Available for distribution during February.

SOURCE: Coal Board, Ministry of Commerce and Industry.

27. Since 1940 the Japanese Government has been subsidizing the coal industry in order to maintain production and provide a low consumer's price on coal. The amount of this subsidy is indicated below:

GOVERNMENTAL SUBSIDIES TO COAL INDUSTRY

		<u>To Mines</u>		<u>To Nippon Coal Co.</u>	
		<u>Average per ton</u>	<u>Total</u>		<u>Total</u>
1940	All year	¥ 1.40	¥ 22,400	¥ -	¥ 22,400
1941	All year	2.00	110,100	-	110,100
1942	1st half	3.27			
	2nd half	4.40	174,402	-	174,402
1943	1st half	6.25			
	2nd half	8.75	407,375	19,449	426,824
1944	1st half	12.61			
	2nd half	23.13	928,916	172,163	1,101,079
1945	1st half	23.13			
	2nd half	45.00	1,308,695	215,246	1,523,941

SOURCE: Nippon Coal Company.

The total subsidy payment is given to the Nippon Coal Company which is the central control company whose member companies produce most of the coal in Japan. The Nippon Coal Company in turn distributes the subsidy payments to high-cost producers, both members and non-members.

28. Because unit cost of coal production decreases with increased output and because the present rate of production is low, coal producers generally are encountering high costs of production. Costs of production for coal are indicated below:

COST OF PRODUCTION FOR COAL a/
(yen per ton)

		Cost of Production <u>b/</u>	Selling Price At Mines	Differential
1940	All year <u>a/</u>	¥ 13.78	¥ 13.75	- .03
1941	1st half	15.13	14.85	- .28
	2nd half	16.02	15.56	- .46
1942	1st half	17.42	17.05	- .37
	2nd half	17.68	18.47	+ .79
1943	1st half	19.32	21.12	+ 1.80
	2nd half	21.82	23.56	+ 1.74
1944	1st half	26.19	26.54	+ .35
	2nd half	34.92	37.01	+ 2.09
1945	1st half	54.26	58.88	+ 4.62
	2nd half	146.33/255.99 <u>c/</u>	58.88	-

a/ Based on weighted average of costs of all 80 members of the Nippon Coal Company. Includes large and small mines, low-cost and marginal producers. Many small mines, generally high-cost producers, are not members of the Nippon Coal Company.

b/ Excludes profit and interest on loans.

c/ ¥ 146.33 does not include wage increases; ¥ 255.99 does. Both figures include some black-market purchases but exclude profits and interest on loans.

SOURCE: Nippon Coal Company.

On 1 December 1945 the price of coal to the consumer was raised from ¥ 20.13 per ton to ¥ 85.00 per ton, an increase of 322 percent.

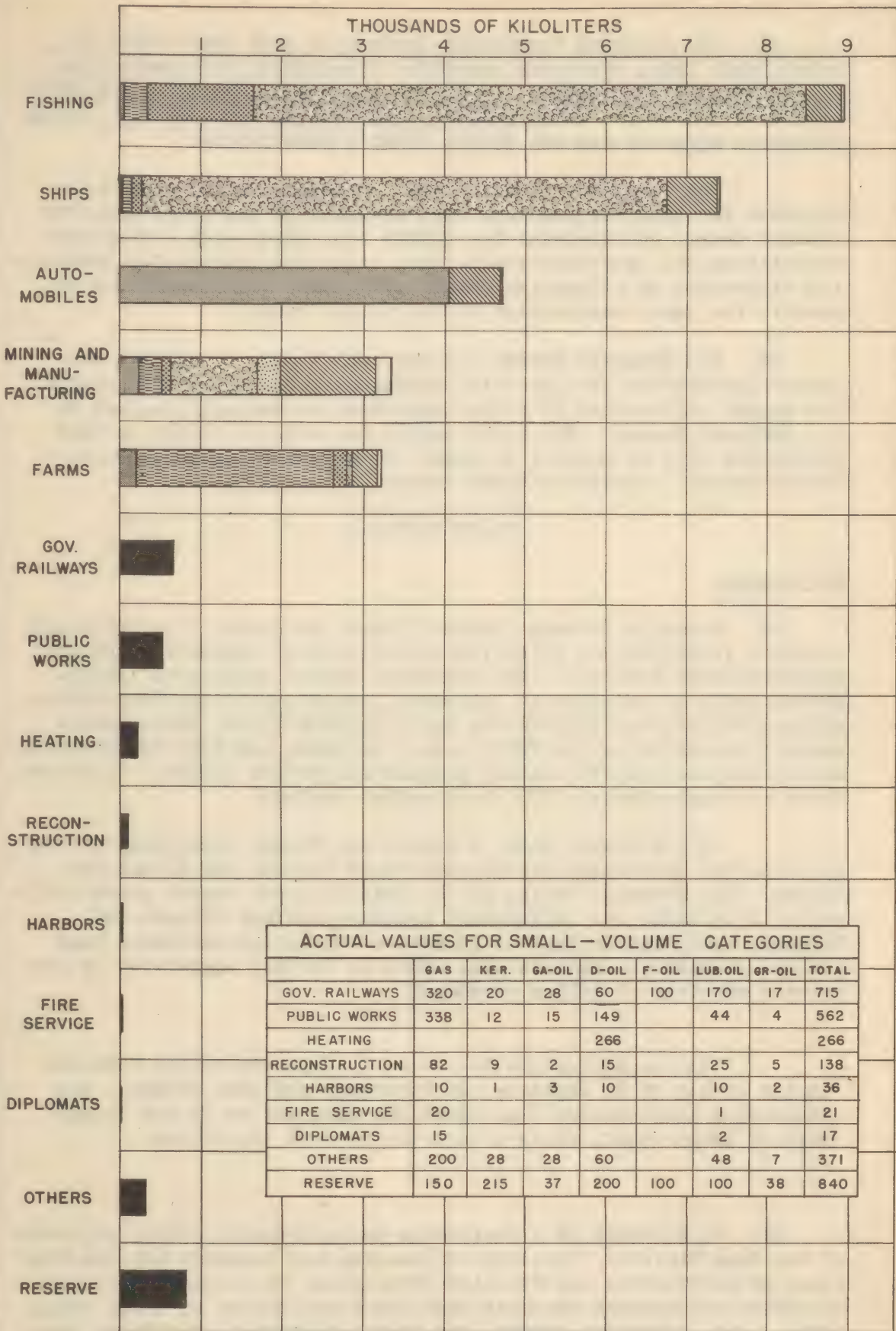
Petroleum

29. Allocations of petroleum products for January as determined by the Fuel Bureau of the Ministry of Commerce and Industry are shown in Chart No. 30.

Fuel oil allocated to fishing associations has been linked with the purchase of fish. Only those fishermen who deliver their fish to authorized dealers through fishing associations are allowed to purchase fuel oil. Black-market stocks of petroleum are rapidly being dissipated and fishermen will be forced to purchase fuel oil through authorized dealers on a ration basis.

LUMBER

30. The Forestry Bureau of the Ministry of Agriculture and Forestry has begun revision of the Lumber Distribution Control Regulation as a preliminary step toward the abolition of the Lumber Control Law. Local lumber control companies have been ordered to sell all sawed lumber to the Japan Lumber Company, the Central Lumber Control Association or to the Housing Corporation, a quasi-governmental organization established for the purpose of building housing facilities for Japanese whose homes were destroyed.



LEGEND

■ GASOLINE
▨ KEROSENE

▩ GAS OIL
▤ DIESEL OIL
▧ FUEL OIL

▨ LUBRICATING OIL
□ GREASE OIL
■ NOT SEGREGATED

SOURCE: MINISTRY OF INDUSTRY AND COMMERCE, FUEL BUREAU

PETROLEUM PRODUCTS

ALLOCATION BY CONSUMER CATEGORIES FOR JANUARY 1946

JAPAN

31. The Japanese Government instructed each prefecture to establish a local rationing committee composed of representatives of the Housing Corporation, local lumber control companies, associations of industries using lumber, coal control associations, transportation agencies and the Forest Owner's Association.

The functions of each local rationing committee are to allocate for specific purposes logs assigned by the government for general usage, to determine the source from which each industrial association will purchase rough logs, to devise methods for preventing violations of allocation plans and to make recommendations on permits for home construction to the police board.

32. The Forestry Bureau has approved a plan to convert the lumber industry to its peacetime status when the transition period has ended. Allocation of timber according to use will be made by the Forestry Bureau. The distribution and sale of timber in each prefecture will be handled by local forestry associations, local forest owners' associations and industrial associations.

PRICE CONTROLS

Enforcement

33. Sales by farmers through illegal channels of distribution continue to hamper the effective functioning of Japanese price and distributional controls. The number of street vendors and black-market dealers continues to increase. According to the Tokyo Metropolitan Police Board, there are approximately 55,500 black-market dealers operating in the Tokyo area. In Osaka and Kobe black-market activities are proportionately greater and prices higher. In Nagoya there are approximately 500 black-market dealers.

In the Osaka, Kobe, Yokohama and Miyagi areas most of the black-market activities are carried on by Chinese and Korean merchants. The Economic Police of the Home Ministry report great difficulty in carrying out enforcement measures against Chinese and Koreans, who maintain that as liberated and Allied nationals they are not subject to Japanese law. This is further aggravated by the extreme shortage of police personnel.

In one prefecture two raids by Japanese police resulted in the arrest of 17 Japanese, 35 Formosans and nine Chinese, and broke up a black-market ring which had been active in the illegal sale of brown sugar, white cotton clothes and vegetables.

34. As a result of a conference on enforcement policy officials of the Home Ministry, Ministry of Commerce and Industry and the Ministry of Agriculture and Forestry have agreed to initiate a program of strict enforcement measures over the distribution of basic staple foods. Once effective control has been established over these commodities other essential items will be included in the new enforcement campaign.

35. Fish and vegetable vendors are being watched in an effort to eliminate profiteering. The Economic Police consider profiteering to be a markup of over 50 percent.

36. In Hokkaido and 23 major charcoal producing prefectures control regulations on charcoal and firewood are receiving special

attention. Enforcement measures have been limited to insuring that producers sell through control channels. Only moderate success has been reported since production centers are deep within the mountainous interior and are widely separated.

SECTION 9

MONEY AND BANKING

C O N T E N T S

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1. Current money and banking activities have been characterized by the increased expansion of bank notes, withdrawal of bank deposits, extension of bank loans, sluggish trading in stocks and changes in financial control.

FINANCIAL INSTITUTIONS

Currency

2. The note issue of the Bank of Japan continued to expand during December, increasing more than in any month since August. A slight contraction of notes in circulation occurred during the first ten days in January, but thereafter the upward trend was resumed. The note issue on selected dates in December and January is shown in the following table:

NOTE ISSUE OF BANK OF JAPAN
(millions of yen)

<u>Date</u>	<u>Note Issue</u>	<u>Net Change from Previous Report</u>
10 December 1945	49,168	+ 1,419
20 December 1945	51,091	+ 1,922
31 December 1945	55,440	+ 4,349
10 January 1946	54,902	- 537
20 January 1946	56,064	+ 1,161

SOURCE: Bank of Japan.

3. The note issue of ¥ 56,064,000,000 outstanding on 20 January 1946 represents an increase of 2 percent from 10 January 1946, 9 percent from 20 December 1945 and 243 percent from 20 January 1945.

4. Bank of Japan notes have always been the major item of legal tender and have recently gained importance in proportion to state notes and subsidiary coins, as is illustrated by the following table:

LEGAL TENDER
(millions of yen)

<u>Date</u>	<u>Bank of Japan Notes</u>	<u>State Notes</u>	<u>Subsidiary Coins</u>	<u>Total</u>
31 Dec 1940	4,777	349	406	5,532
31 Dec 1941	5,978	454	442	6,874
31 Dec 1942	7,148	535	453	8,136
31 Dec 1943	10,266	642	372	11,280
31 Dec 1944	17,745	799	375	18,919
31 Dec 1945	55,440	894	331	56,665

SOURCE: Bank of Japan.

5. Occupational currency "type B" is still legal tender, but it is being exchanged for Bank of Japan notes and very little remains in circulation.

Bank of Japan

6. The condensed statement of the Bank of Japan as of 20 January 1946 with net changes from 20 December 1945 follows;

BANK OF JAPAN
Condensed Statement
(millions of yen)

<u>Assets</u>	<u>20 January 1946</u>	<u>Net Change from 20 December 1945</u>
Cash and bullion	532	+ 1
Government bonds and debentures	6,824	- 250
Advances to Government	14,187	+ 889
Loans to banks	38,602	+ 4,615
Agencies accounts	18,595	- 1
Miscellaneous accounts	1,181	+ 389
Inter-office account	<u>173</u>	+ <u>173</u>
Total Assets	80,094	+ 5,816

<u>Liabilities</u>	<u>20 January 1946</u>	<u>Net Change from 20 December 1945</u>
Notes issued	56,064	+ 4,974
Government deposits	18,349	+ 562
Other deposits	3,725	+ 153
Miscellaneous accounts	1,276	+ 174
Net profit	318	+ 59
Capital and reserves	212	no change
Inter-office items on government account	150	+ 81
Inter-office account	<u>0</u>	- <u>187</u>
Total Liabilities	80,094	+ 5,816

SOURCE: Bank Of Japan.

7. Increases in the note issue reflect absorption of government bonds, advances to the government or an expansion of loans to banks by the Bank of Japan. The correlation between these factors and the note issue is indicated by the following table:

EFFECTS OF INCREASED NOTE ISSUES
(millions of yen)

<u>Date</u>	<u>Note Issue</u>	<u>Loans to Banks</u>	<u>Govt Bonds & Advances</u>
25 Mar 44	10,527	4,213	7,745
24 Jun 44	11,822	3,443	9,330
30 Sep 44	13,727	5,609	9,529
31 Dec 44	17,872	8,866	10,439
31 Mar 45	20,526	14,475	8,424
30 Jun 45	26,181	20,994	7,359
30 Sep 45	41,426	23,626	12,052
31 Dec 45	55,441	37,839	18,377

SOURCE: Bank of Japan.

8. During 1944 and 1945 a rapid increase in loans to banks by the Bank of Japan was necessary to support the very liberal extension of Bank credit which occurred. The expansion of loans to banks was further stimulated during December and January by a net withdrawal of bank deposits, but the extension of bank loans, particularly by the "Big Five" banks, has been the more important stimulant. The trends from August through December 1945 are indicated in the following table:

FACTORS AFFECTING EXPANSION OF LOANS
(millions of yen)

Date	Total Deposits		Loans		Borrowings from Bank of Japan	
	All Banks a/	Big Five	All Banks a/	Big Five	All Banks a/	Big Five
Aug	111,343	52,736	78,636	43,497	30,346	15,409
Sep	131,717	56,736	84,665	46,571	23,626	10,107
Oct	134,349	56,388	87,539	47,804	26,196	12,532
Nov	135,380	56,368	91,512	50,475	29,581	14,341
Dec	132,580	53,811	96,312	54,517	37,838	19,435

a/ Includes all special, ordinary and savings banks in Japan.

SOURCE: Bank of Japan.

9. Under the leadership of the Bank of Japan the "Big Five" ordinary banks agreed early in January 1946 to grant loans only to those companies which are engaged in production of marketable goods or services and to prevent an extension of loans that might be used for speculative purposes. The banks have also agreed to press their clients for repayment of old loans.

10. At the direction of SCAP the Japanese Government will no longer finance its deficit by borrowing from the Bank of Japan. This source of currency expansion has thus been eliminated.

Special Banks

11. The December trends in the operations of special banks were similar to the trends in ordinary banks. Aggregate deposits of special banks declined moderately during the month. Loans rose markedly and security holdings increased slightly. The special banks likewise were forced to rely upon loans from the Bank of Japan to support their credit extension and payment of depositors.

NINE SPECIAL BANKS
(millions of yen)

Date	Deposits	Net Change	Loans	Net Change	Securities	Net Change
		From Previous Month		From Previous Month		From Previous Month
31 Oct 45	10,220	+689	23,128	+536	3,814	+156
30 Nov 45	10,270	+ 50	23,501	+373	3,741	- 73
31 Dec 45	10,047	-223	24,795	+1,294	3,742	+ 1

SOURCE: Bank of Japan.

Ordinary Banks

12. Aggregate deposits in ordinary banks decreased ¥ 2,862, 000,000 during December, a reduction of 2.1 percent. The principal decline in deposits occurred in the "Big Five" banks. Bank loans continued to expand rapidly and total investments rose slightly although security holdings by the "Big Five" were reduced.

ORDINARY BANKS
(millions of yen)

	<u>31 December 1945</u>	<u>Net Change from 30 November 1945</u>
Deposits:		
All Ordinary Banks	102,349	-2,862
"Big Five"	53,811	-2,557
Loans:		
All Ordinary Banks	72,016	+6,221
"Big Five"	54,517	+4,800
Security Holdings:		
All Ordinary Banks	42,820	+ 117
"Big Five"	15,629	- 72
SOURCE: Bank of Japan.		

Loan Portfolios of Large Banks

13. A classification of outstanding loans of ¥ 1,000,000 and larger by the status of the borrower with respect to conversion and government guarantees has been submitted to SCAP by the eight largest ordinary banks. The accompanying table indicates that virtually all of the loan portfolio is guaranteed directly or indirectly by the Japanese Government. Because of the lack of a clear definition of the legal status of certain types of wartime loans to munitions industries the report relative to the total of guaranteed loans is greater than the total supplied by the Ministry of Finance, and an investigation has been initiated.

Of the total loans over ¥ 1,000,000 approximately 40 percent were made to insurance companies in support of war damage claims and 56 percent were made to corporations. Analysis of the loan portfolios of the large banks is continuing.

LOANS OVER ¥ 1,000,000
Eight Largest Ordinary Banks a/
31 December 1945
(thousands of yen)

Loans to other banks	46,433
Loans to insurance companies	19,149,908 <u>b/</u>
Loans to other financial institutions	957,410
Loans to individuals	1,141,371
Loans to corporations	<u>27,063,181</u>
Total	48,358,303
Loan by government order with guarantee	2,326,265
Guaranteed munitions advances	20,052,653
Loans at bank's discretion	3,513,197
Partial government guaranteed loans	<u>22,466,188</u>
Total	48,358,303

a/ Tokyo and Osaka offices only.

b/ Virtually 100 percent against war claims.

SOURCE: Bank of Japan.

Savings Banks

14. The moderate decline in aggregate deposits in savings banks, which characterized the previous two months, was repeated in December at about the same rate. Loans by savings banks increased at a slightly accelerated rate while securities declined moderately. The same trends existed in October and November.

ALL SAVINGS BANKS (hundred thousands of yen)

	<u>30 Nov 45</u>	<u>31 Dec 45</u>
Deposits	7,649	7,433
Loans	695	773
Securities	8,701	8,634

SOURCE: Bank of Japan.

Deposit Funds Management Bureau

15. Supervision over the investment policy of the Deposit Funds Management Bureau was continued and investment policy defined by a memorandum issued to the Ministry of Finance on 29 January 1946. This memorandum required that the investment program of the Post Office Life Insurance and Life Annuities Funds be consolidated with that of the Deposit Funds Management Bureau and made subject to the same management and direction. Postal Savings deposits continued to increase and at the end of December totalled ¥ 41,838,000,000, but the rate of increase was somewhat smaller than in preceding months.

Blocked Accounts

16. Total funds in blocked accounts increased by ¥ 300,000,000 in December as compared to an increase of ¥ 1,294,000,000 during November. The Ministry of Finance is engaged in formulating new regulations and ordinances under which releases may be granted under the direct supervision of the Bank of Japan, subject to criteria to be established by SCAP.

Securities Exchanges

17. The securities markets of Japan have remained closed since 9 August 1945. Brokers' committees and government officials are holding meetings in order to devise an interim plan of operation while the Japan Securities Exchange is being decentralized and denationalized.

18. Over-the-counter trading is reported sluggish with wide spreads between bid and asked prices. Additional nervousness appeared with the announcement of a new Wartime Profits Tax and Property Tax. This news caused a slight upturn in volume of trading and a decline in the prices of most securities.

19. Price changes of specific stocks are shown in the following table:

PRICE CHANGES OF STOCKS

<u>Stock</u>	<u>Price</u> <u>January 1945</u>	<u>Price</u> <u>January 1946</u>
Shochiku Movie	¥ 49.3	¥ 69.5
Mitsukoshi Department Store	76.5	92.5

<u>Stock</u>	<u>Price</u> <u>January 1945</u>	<u>Price</u> <u>January 1946</u>
Dai Nippon Beer	¥ 98.0	¥ 104.5
Teikoku Rayon	79.0	66.0
Dea Nippon Spinning	89.0	77.0
Toyo Spinning	118.0	67.5
Tokyo Gas	59.3	54.0
Osaka Merchantile Marine	96.0	49.8
Japan Mail Steamship	111.7	60.5
Keisei Electric Railway	82.5	81.5
Keihanshin Express Line	100.0	106.5
Topu Railway	92.3	100.0

SOURCE: Japan Securities Exchange.

REGULATING

Changes in Controls of Financial Transactions in Japan

20. Certain transactions involving property in Japan owned or controlled by persons abroad heretofore prohibited are now permitted. In order that concerns may resume more normal operations the Ministry of Finance has been authorized to approve individual applications for transactions in the property of branches or agencies in Japan of concerns with head offices outside of Japan. Favorable consideration is to be given only to those enterprises that manufacture or distribute essential consumer goods or commodities required for the production of such goods.

Licenses for transactions are to be limited to expenses ordinarily incurred in the normal conduct of business operations within Japan. Branches or agencies owned or controlled by nationals of former enemy powers are excluded from the provisions of this authorization. Branches and agencies of foreign concerns are not to be allowed to engage in any activities denied to domestic Japanese concerns.

21. A further change in financial controls was made to permit officers in Japan of Japanese concerns formerly operating branches abroad to pay salaries and allowances to employees of their foreign branches who have now returned to Japan. Necessary safeguards were imposed to protect any claims the former branch abroad may have upon the concern's assets located in Japan.

Changes in Controls Over External Assets of Japan

22. The Japanese Government has been authorized to permit the inheritance in accordance with established laws of Japan of property held abroad by persons in Japan. No other transactions in property owned in Japan and located abroad have been authorized.

23. The Japanese Government was authorized to permit the use of certain quantities of gold, silver and platinum for dental and medical purposes. Allocations will be made from non-governmental stocks to the greatest extent possible. Allotments of 510 kilograms of gold, 1,800 kilograms of silver and 30 grams of platinum were made for dental purposes during the first quarter of 1946. Amounts allotted were considered by SCAP to be minimum requirements.

Reports Being Secured on External Assets of Japan

24. All government departments, financial institutions, other corporations and individuals are submitting reports on their holdings

of property abroad and other external assets. Over 150,000 reports have been received. The Bank of Japan is preparing summaries of these reports by location and category of property. The summaries will be completed for financial institutions and government agencies by 1 March 1946, and will include the holdings of 72 government departments and prefectures and 740 financial institutions.

Financial and Commercial Communications with Persons Outside of Japan

25. Heretofore all telegraphic and mail communications transmitting financial instruments or information of a financial or commercial nature between persons in Japan and persons abroad have been condemned by censorship authorities. Because many communications have been of a purely informational character and not related to specific business transactions it was decided to permit the transmission of certain types of financial messages.

All financial instruments and documents other than those allowed to be carried into Japan by Japanese repatriates will continue to be picked up by censorship authorities. No message containing information related to a specific business transaction involving property inside or outside of Japan will be passed. Messages containing factual information of a financial or commercial character will be passed, but copies of such messages will be supplied to SCAP for use in supplementing other information regarding economic relationships between individuals and enterprises inside and outside of Japan.

Property of Former Enemy Nationals

26. No substantial releases from blocking and freezing controls were made with respect to property owned or controlled by nationals of former enemy powers. Funds for payment of insurance premiums necessary for the protection of property of a branch of a German concern were released as it was considered that such action was necessary to protect the interests of the Allied Control Council in Germany which has taken title to the property by decree.

Exportation of Financial Instruments

27. A directive issued to the Japanese government provides that all persons departing Japan except military and naval personnel of the Allied Powers, personnel accredited to the military and naval forces of the Allied Powers and nationals of Korea, Formosa, China, the Ryukyu Islands, Germany, Hungary, Bulgaria and Rumania may take with them currencies not to exceed \$250 or its equivalent and non-negotiable financial instruments such as personal bank books and insurance policies.

PROPERTY

28. Reports on property records of Axis Nationals have been received from the Japanese Government. Compilation of records and statistics concerning property of governments and nationals of Allied and Neutral Nations continued.

LIQUIDATION

29. The initial examination and investigation of the Bank of Chosen, Bank of Taiwan, Chosen Colonization Bank, Deutsche Bank fuer Ostasien and the Banque Franco-Japonaise have been completed by the Bank of Japan in accordance with policies and procedures established by SCAP.

30. The investigation and liquidation of the National Financial Control Association are proceeding with the Hypothec Bank acting as liquidator under the supervision and direction of SCAP.

31. The Japanese Government has been directed to appoint a Committee of Conservators acceptable to this Headquarters to conduct a thorough examination of 23 closed financial institutions, to preserve their assets pending liquidation and to perform the functions of management under the direction of SCAP.

32. A report on employee relief societies of closed institutions submitted by the Japanese Government indicated the transfer of substantial sums of money to such societies prior to the closing of the institutions by SCAP.

33. The Bank of Japan has been directed to collect the assets in Japan of the Bank of Chosen, Bank of Taiwan, Banque Franco-Japonaise, Chosen Colonization Bank and the Deutsche Bank fur Ostasien.

SECTION 10
PUBLIC FINANCE

C O N T E N T S

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Special Accounts	5
Taxation and Revenue	6
National Debt.	7
Local Government Finances.	9
Imperial Household	10
Zaibatsu	12

1. Reduction of expenses, increase in revenue and use of non-inflationary sources in financing government deficits characterize the current financial policy of the Japanese Government.

NATIONAL GOVERNMENT BUDGET, EXPENDITURE AND BORROWING

Fiscal Policy

2. Because deficits resulting from the operating costs of the Japanese Government have been financed largely through inflationary methods, a directive was issued on 21 January requiring the government to adopt the following fiscal principles:

- (1) Government expenditures are to be reduced to the minimum necessary for essential functions.
- (2) Government deficits are to be financed to the greatest extent by borrowing from the current savings of the people through the agencies existing for the collection of these savings.
- (3) Government deficits are to be financed through the resources of the ordinary banks and the Bank of Japan only when other methods have proved inadequate.

3. The following instructions to implement these principles were issued by SCAP:

- (1) Financing the current deficit by overdraft on the government account with the Bank of Japan will cease. The existing overdraft will be retired by issuance of government bonds. The government will then have a positive treasury balance.
- (2) The Special Account for War Expenses will be abolished and remaining payments of that nature will be made from the General Account after approval by SCAP.
- (3) For the remainder of the 1945-46 fiscal year General Account expenditures are not to exceed an average of

¥ 2,000,000.000 per month without prior authorization by SCAP.

- (4) Blanket authority is granted for government borrowing in order to obtain working capital for self-sustaining government enterprises and to refinance outstanding short-term debts.
- (5) Issuance of savings debentures and similar securities, not to exceed ¥ 50,000,000 per issue, is authorized for sale directly to the public.
- (6) Government payments into blocked accounts, resulting from war damage and industrial conversions, will be segregated in a special account in order to simplify and clarify the budget picture. Blanket authorization is given for this debt with the proviso that it will bear no interest.
- (7) A new government borrowing program for the remainder of the 1945-46 fiscal year, embodying all the above changes, will be submitted. These principles with the exception of the monthly limit on expenditures will be followed in the 1946-47 budget.

Budget

4. On 17 January the General Account original budget for the fiscal year 1946-47 was submitted. From 24-30 January a series of conferences was held to discuss the budget of each ministry separately. A summary of the 1946-47 General Account original budget follows:

GENERAL ACCOUNT ORIGINAL BUDGET
1946-47
(millions of yen)

Revenues:

Taxes	9,321.3	
Enterprise profits	1,668.7	
Miscellaneous	<u>2,501.8</u>	
Total		13,491.8

Expenditures:

Imperial Household	4.5	
Ministry of:		
Foreign Affairs	48.2	
Home Affairs	1,520.2	
Finance	7,748.6	
Justice	139.8	
Education	819.7	
Welfare	366.3	
Agriculture & Forestry	1,072.0	
Commerce & Industry	960.2	
Transportation	<u>126.0</u>	
Total		<u>12,805.5</u>

Surplus a/ 686.3

a/ • To be used as revenue for supplementary budget.

SOURCE: Ministry of Finance.

SPECIAL ACCOUNTS

5. Imperial Railway bonds amounting to ¥ 300,000,000, the proceeds from which will be used to finance the deficit of Imperial Railways, were approved by SCAP.

TAXATION AND REVENUE

6. On 31 December 1945 the Japanese Government presented for approval drafts of three laws written in compliance with SCAP directive of 24 November 1945. These laws are the Capital Levy Law, the War Profits Tax on Corporations and the Increased Property Tax on Individuals.

Analysis of the provisions of the above laws was made and discussions were held.

NATIONAL DEBT

7. The national debt of Japan as of 31 December 1945 follows:

Government bonds (domestic)	¥ 129,558,953,335 ^{a/}
Government bonds (external)	886,689,249
Bank loans	57,296,850,380
Rice bills and food securities	<u>2,040,068,397</u>
Total	¥ 189,782,561,361

^{a/} Includes bonds amounting to ¥ 22,814,296,920 issued from April through December 1945.

SOURCE: Ministry of Finance.

8. The items included in the government's borrowing from banks as of 31 December 1945 are shown in the following table:

GOVERNMENT BORROWING 31 December 1945 (millions of yen)

Expenditures in occupied areas	43,834
Short-term obligations of less than 1 yr.	9,970
Non-negotiable time deposit certificates ^{a/}	3,239
Navy arsenal funds (short-term)	40
Loans for miscellaneous purposes	<u>213</u>
Total	57,296

^{a/} Issued for government purchase of air fields and industrial facilities.

SOURCE: Ministry of Finance.

LOCAL GOVERNMENT FINANCES

9. In justification of requests for authorization of the 1945-46 borrowing program of local governments the Home Ministry submitted

data with respect to retrenchments made in budgeted expenditures. The decrease in local government revenues and expenditures for the 1945-46 fiscal year is shown below:

REVENUES AND EXPENDITURES

Fiscal year 1945-46

(millions of yen)

<u>Revenue</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Amount of Decrease</u>
Tax	2,474	1,972	502
Subsidies	4,089	2,450	1,639
Loans	1,384	943	441
All others	<u>2,277</u>	<u>1,860</u>	<u>417</u>
Total	10,224	7,225	2,999

Expenditure

Salary & office expenses	583	568	15
Police	470	448	22
Public works	833	777	56
Education	1,039	964	75
Sanitation	242	233	9
Encouragement of industry	803	753	50
Public welfare	131	112	19
Electricity & gas	221	215	6
Debt capital & interest	575	547	28
Measures to prevent property damage	3,846	1,746	2,100
Rehabilitation expenses	818	818	0
All others	<u>663</u>	<u>601</u>	<u>62</u>
Total	10,224	7,782	2,442
Deficit		557	

Distribution of the reduction in local government budgets has been examined and all practicable economies seem to have been effected in the 1945-46 budgets.

Authorization was granted for the issuance of local government bonds totaling ¥ 1,500,000,000, distributed as indicated below:

<u>Purpose</u>	<u>Amount Authorized (millions of yen)</u>
Education	5
Sanitation	20
Industry	50
Public works (calamities)	120
Public works (ordinary)	100
Electricity & gas	10
Measures to prevent property damage	350
Rehabilitation expense	250
Budgetary deficit	557
Miscellaneous	<u>38</u>
Total	1,500

The largest item in the local government bond issue is the budgetary deficit.

IMPERIAL HOUSEHOLD

10. The following Imperial grants were approved during January:

- (1) ¥ 50,000 to the Association for the Prevention of Tuberculosis for the training of additional nurses.
- (2) ¥ 112,300 for retirement allowances.
- (3) ¥ 5,000 for the protection of infants.
- (4) ¥ 10,000 for retirement pay to Mr. Ishiwata, former Minister of the Imperial Household.
- (5) ¥ 230,000 to approximately 750 welfare societies.
- (6) ¥ 214,000 for expenditures of the Prince Ri household.

11. The new Minister of the Imperial Household is Viscount Yoshitami Matsudaira, formerly president of the Peers' School. He has arranged the transfer of the Imperial Palace Guards to the Home Ministry effective 1 April 1946.

ZAIBATSU

Holding Companies

12. The examination of the holding company subsidiaries is continuing, and the statistics accumulated on the subsidiaries of four large holding companies are shown in the accompanying tables.

Questionnaire on Inter-Relations of Individuals and Concerns

13. A directive of 19 January required 18 Zaibatsu concerns to submit reports on each person in their organizations who, since 1 January 1944, occupied any control or management position from president to factory superintendent. In addition the directive requires information as to positions held by them in the government, army or navy, trade associations and secret organizations. Other requirements of the directive include submission of recent financial statements of the 18 concerns and their subsidiaries and affiliates, and a showing by each concern of all its interconnections with any company on the Schedule of Restricted Concerns.

Zaibatsu family heads are required to furnish copies of the house rules of their families and to indicate relationship to the family of all persons whose names were submitted as holding executive or control positions in Zaibatsu concerns.

Dividend Payments

14. A directive of 21 December was sent to the Japanese Government permitting dividend payments under the following restrictions:

- (1) Concerns which are listed on the Schedule of Restricted Concerns and concerns which have claims for war insurance and government indemnity may not pay more than five percent per annum.
- (2) Dividends can be paid only from current earnings.

TABULATION OF MITSUI HONSHA SUBSIDIARIES

<u>Company</u>	<u>Assets</u> <u>(thousands of yen)</u>	<u>Paid-up Capital</u> <u>(thousands of yen)</u>
Mitsui Bussan	6,526,447	100,000
Mitsui Mining	929,328	300,000
Mitsui Trust	45,807	750
Mitsui Life Insurance	422,404	500
Mitsui Chemical	282,377	81,000
Mitsui Real Estate	31,034	5,000
Mitsui Steamship	228,047	70,000
Mitsui Agriculture	13,778	9,450
Mitsui Dock Yard	258,554	45,000
Mitsui Precision Machine	118,431	100,000
Nippon Flour Mfg.	46,235	16,000
Mitsui Warehouse	30,437	12,500
Taisho Marine & Fire Ins.	136,605	5,750
Tropical Produce	8,395	5,525
Sanki Industrial	169,632	17,000
Toyo Cotton	49,790	35,000
Toyo Rayon	121,604	29,031
Mitsui Light Metal	185,456	45,000
Mitsui Oil & Fat	32,128	20,000
Mitsui Wooden Shipbuilding	153,086	10,000
Mitsui Lumber Industry	83,431	30,000
Daito Industry	49,856	15,702
Hokkaido Coal Mine & Steamship	297,679	127,500
Korea Rayon	7,507	7,500
Munakata Industry	6,120	1,500
Nippi Medicinal Foods	2,407	1,000
Nippon Steel Mfg.	602,342	120,000
Nissin Steel Making	10,262	2,000
Ogura Productive Industry Enterprise	2,272	1,000
Safety Cableway	6,791	1,180
Showa Aircraft Mfg. Industry	165,865	39,500
Sanrin Anthracite Mining	2,732	1,000
Sanyo Oil & Fat Chemical Industry	12,128	10,000
Showa Wool-combing	253	100
Teikoku Bank	13,288,252	148,125
Toyo Silk & Weaving	29,233	11,600
Toyo Rubber Chemical Industry	6,550	5,000
Toyo Hosiery	6,593	2,000
Toyo Machinery Mfg.	7,344	2,000
Total	24,377,192	1,434,213

a/ Mitsui Family interest not included in totals.

SOURCE: Mitsui Honsha.

TABULATION OF MITSUI HONSHA SUBSIDIARIES

<u>Shares Owned by Mitsui Honsha</u>	<u>Book Value of Holdings (thousands of yen)</u>	<u>Percentage Owned by Mitsui Honsha</u>
828,215	41,411	41.4
4,786,640	196,604	59.6
46,230	2,224	15.4
10,000	854	25.0
481,501	20,087	19.8
100,000 a/	5,000 a/	100.0 a/
1,019,500	54,719	72.8
126,032	6,046	60.3
594,000	22,275	49.5
1,792,562	88,957	89.6
198,333	7,933	49.6
300,000	12,745	100.0
222,190	4,631	48.3
51,000	765	39.2
329,700	17,454	96.9
617,890	30,895	88.3
251,730	11,940	35.6
21,300	1,065	2.4
400,000	23,400	100.0
60,000	3,000	30.0
600,000	30,000	100.0
105,000	5,075	33.4
488,826	24,923	16.9
80,000	3,000	40.0
9,000	390	30.0
12,000	600	60.0
505,360	33,947	21.1
30,600	2,186	76.5
15,725	0.2	78.6
11,800	554	50.0
432,765	20,151	34.9
11,000	495	55.0
150,000	7,500	75.0
2,000	100	100.0
162,000	8,541	3.8
142,790	6,785	61.5
50,000	2,500	50.0
39,470	1,973	98.7
39,800	2,425	99.0
15,024,959	698,150.2	

TABULATION OF MITSUBISHI HONSHA SUBSIDIARIES

<u>Company</u>	<u>Assets</u> <u>(thousands of yen)</u>	<u>Paid-up Capital</u> <u>(thousands of yen)</u>
Mitsubishi Heavy Industry	5,196,130	750,000
Mitsubishi Warehouse	46,238	15,000
Mitsubishi Mining	422,929	254,625
Mitsubishi Trading	4,680,024	75,000
Mitsubishi Bank	14,145,174	87,675
Mitsubishi Electric Mfg.	914,420	120,000
Mitsubishi Trust	57,958	7,500
Mitsubishi Estate	31,304	14,750
Mitsubishi Oil	90,951	15,000
Mitsubishi Chemical Ind.	626,083	110,790
Mitsubishi Steel Mfg.	286,932	100,000
Manchuria Mitsubishi Engineering	53,130	20,000
Tawau Industrial	3,621	3,000
Boeton Industrial	5,432	2,000
Mitsubishi Steamship	100,751	67,000
Japan Corn Products	18,862	7,600
Shanghai Mitsubishi Warehousing	6,257	1,000
Fuji Industrial	unknown	1,000
Mitsubishi Light Alloy Mfg.	60,643	14,000
Nippon Aluminium	105,978	60,000
Korean Anthracitic	77,111	42,500
Mitsubishi Chemical Ind. Machinery	100,564	18,750
Nippon Architectural Steel	257,270	20,000
Kotoku Estate	3,626	3,200
Mitsubishi Magnesium Industry	22,843	2,500
Mitsubishi Kwantung Magnesium	48,671	3,750
Japan Optical Industry	329,672	50,000
Tokyo Marine & Fire Ins.	402,366	62,000
Meiji Life Insurance	1,252,474	2,700
Tozan Agriculture	13,740	8,000
Mitsubishi Papermills	48,100	10,798
Total	29,409,254	1,950,138

a/ Iwasaki Family interest not included in totals.

SOURCE: Mitsubishi Honsha.

TABULATION OF MITSUBISHI HONSHA SUBSIDIARIES

<u>Shares Owned by Mitsubishi Honsha</u>	<u>Book Value of Holdings (thousands of yen)</u>	<u>Percentage Owned by Mitsubishi Honsha</u>
4,524,366	169,926	22.9
187,300	8,286	46.8
3,474,524	109,330	42.6
807,350	40,430	40.3
817,698	29,844	30.2
1,063,950	54,204	44.3
114,320	1,519	19.0
241,000	9,912	65.1
180,000	6,000	45.0
265,000	13,250	11.9
1,020,940	53,172	51.0
50,000	2,500	12.5
30,000	1,500	50.0
20,000	1,000	50.0
100,000	5,000	7.2
79,800	4,215	52.0
10,000	500	50.0
2,000	unknown	20.0
82,500	4,575	29.4
157,377	8,752	13.0
172,920	6,484	17.0
52,000	2,600	12.6
120,000	6,000	30.0
48,000	2,400	75.0
50,000	1,250	50.0
75,000	937	25.0
221,885	11,094	22.0
245,086	10,850	15.3
3,749	1,957	13.8
63,800 a/	5,532 a/	63.8 a/
<u>78,400 a/</u>	<u>3,920 a/</u>	<u>35.7 a/</u>
14,216,765	567,487	

TABULATION OF YASUDA HOZENSHA SUBSIDIARIES

<u>Company</u>	<u>Assets</u> (thousands of yen)	<u>Paid-up Capital</u> (thousands of yen)
Yasuda Industrial Dev.	39,689	14,338
Yasuda Bank	15,098,526	102,700
Yasuda Trust	23,783	7,500
Yasuda Life Ins.	159,466	75
Yasuda Fire & Marine Ins.	384,241	8,475
Nippon Personal Estate Fire Ins.	28,294	1,175
Ogaki Kyoritsu Bank	495,607	3,816
Shikoku Bank	772,009	7,272
Oriental Steamship	40,691	17,500
Chugoku Railway	6,767	4,700
Tokyo Building	58,309	12,148
Kotoku Real Estate	3,768	1,250
Yasuda Warehouse	11,169	5,000
Nippon Paper Industry	23,306	9,000
Imperial Textile	287,499	85,946
Nippon Illumination	15,019	5,000
Takao Iron	15,894	5,000
Oriental Steam Engine	10,241	3,000
Tohoku Electric Wireless	3,030	2,500
Imperial Piston Ring	22,825	6,000
Total	17,500,133	302,395

SOURCE: Yasuda Hozensha.

TABULATION OF SUMITOMO HONSHA SUBSIDIARIES

<u>Company</u>	<u>Assets</u> (thousands of yen)	<u>Paid-up Capital</u> (thousands of yen)
Sumitomo Mining	364,294	80,000
Sumitomo Metal Industries	2,373,359	418,750
Sumitomo Elec. Industries	366,927	86,500
Sumitomo Chemical	363,776	98,750
Sumitomo Comm. Industrial	677,313	150,000
Sumitomo Machinery Works	123,518	35,000
Sumitomo Aluminum Reduction	51,717	20,000
Sumitomo Light Metal Co. of Korea	67,888	40,000
Sumitomo Co-op Elec Power	38,479	20,000
Sumitomo Bank	22,664,160	50,000
Sumitomo Trust	45,751	5,000
Sumitomo Life Insurance	432,960	750
Sumitomo Warehouse	27,184	15,000
Sumitomo Real Estate & Bldg	12,689	41,500
Sumitomo Borneo Plantation	6,447	2,500
Osaka Sumitomo Marine & Fire Ins.	208,366	6,000
Nippon Sheet Glass	22,345	7,750
Antung Light Metal	201,183	100,000
Sumitomo Synthetic Resin	56,815	11,915
Dainippon Mining	19,209	5,000
Dohi Mining	6,325	2,500
Manchurian Sumitomo Metal Industry	96,554	30,000
Nakka Fluoraper Mining	4,419	2,000
North China Gold Mining	1,701	1,700
Total	28,233,379	1,230,615

SOURCE: Sumitomo Honsha.

TABULATION OF YASUDA HOZENSHA SUBSIDIARIES

<u>Shares Owned by Yasuda Hozensha</u>	<u>Book Value of Holdings (thousands of yen)</u>	<u>Percentage Owned by Yasuda Hozensha</u>
100,000	3,837	25.0
1,052,413	30,425	30.9
162,500	2,129	27.1
125	200	41.6
115,921	2,685	17.1
0	0	0.0
14,860	597	13.5
62,564	1,222	24.3
35,699	1,832	8.9
21,519	1,076	22.8
63,607	1,453	12.0
10,000	125	10.0
176,017	4,297	88.0
86,477	5,120	48.0
254,713	14,509	12.0
23,222	1,409	23.2
9,700	485	9.7
41,520	1,848	69.2
50,000	2,500	100.0
8,400	443	7.0
2,289,257	76,192	

TABULATION OF SUMITOMO HONSHA SUBSIDIARIES

<u>Shares Owned by Sumitomo Honsha</u>	<u>Book Value of Holdings (thousands of yen)</u>	<u>Percentage Owned by Sumitomo Honsha</u>
424,906	21,137	26.56
1,718,900	112,651	20.52
583,329	28,683	24.31
392,200	24,543	17.84
330,417	12,687	11.01
168,200	9,286	21.02
98,200	4,910	24.55
160,000	4,000	10.00
89,800	4,530	22.45
177,711	21,537	25.38
6,170	159	1.54
4,500	1,350	30.00
65,000	2,275	21.67
220,840	7,232	26.60
40,000	2,000	80.00
81,660	2,283	17.00
47,056	2,004	19.20
400,000	5,000	10.00
71,100	2,545	17.78
25,000	1,500	25.00
11,047	906	22.09
150,930	8,589	25.15
20,000	1,000	50.00
8,500	340	50.00
5,295,466	281,147	

- (3) No payments will be made by banks and other financial institutions.

Schedule of Restricted Concerns

15. The Oji Paper Company and 40 of its subsidiaries have been added to the Schedule of Restricted Concerns, making a total of 394 concerns now restricted in their financial operations. The Oji Paper Company has a paid-up capital of ¥ 310,000,000, assets of ¥ 800,000,000 and security holdings of ¥ 200,000,000. It produces more than 50 percent of the paper and paper products manufactured in Japan. It has approximately 25,000 stockholders, none of whom owns more than four percent of the total stock outstanding. The three largest stockholders are the Mitsui Honsha, Okawa Gomei and Dai-Ichi Life Insurance Company, but no family or group appears to own a controlling interest.

This concern was placed on the restricted list because of its dominating position in a key industry and not because of Zaibatsu control.

Holding Company Liquidation Commission

16. Frequent conferences were held with representatives of the Japanese Government and the Edwards Mission to discuss revisions of the proposed Imperial Ordinance governing the Holding Company Liquidation Commission. Drafts of ordinances and regulations implementing the Imperial Ordinance have been submitted to SCAP.

The Ministry of Finance and Mr. Nakane, prospective chairman of the commission, have submitted a list of candidates for membership on the commission. The Minister of Finance has been requested to furnish additional information, including biographical sketches, on a number of these candidates.

Control Associations

17. Plans to liquidate industrial control associations and related control organs of the Japanese Government were submitted by the government and industry. The major problems for most basic industries appear to be the necessity for securing and allocating materials and stimulating the production of essential goods. Production potential far exceeds available stocks of raw materials, and there is a demand for all types of goods. The control association mechanism of the Japanese Government has been the means by which the necessary materials are processed in accordance with the government's policy for production.

18. The complete domination of industry by control associations has closed the normal channels through which industry formerly carried on its operations. Conferences are being held with members of the various industries to determine the extent and kind of controls necessary to support the Japanese economic structure at the present time. Certain controls formerly exercised by the government control associations can be abandoned. The essential governmental control functions must be determined so that they can be limited.

Japanese industrialists are being encouraged to accept responsibility for participating in quasi-public control agencies. There appears to be a desire on the part of industry to rid itself of government controls, but it does not know how to accomplish this aim and still preserve order in the transition stage.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN AND KOREA

Number 4

January 1946

PART IV
SOCIAL - JAPAN

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SECTION 1

PUBLIC HEALTH AND WELFARE

C O N T E N T S

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PUBLIC WELFARE

General

1. A memorandum was issued which called the Japanese Government's attention to the serious health, economic and welfare problems which would develop if the movement of people from rural to urban areas should continue.

The government was directed to submit a plan indicating measures to be taken to restrict or prohibit unnecessary movement to urban centers which were defined as cities with 100,000 or more inhabitants.

Evacuees will be permitted to return to localities where their services are considered essential in re-establishing the minimum civilian economy of Japan.

2. The general food situation in southern Japan is satisfactory at present. Relief requirements in this area are increasing because of ineffectual price controls and black-market activities.

People with limited or small fixed incomes are finding it increasingly difficult to obtain food in amounts sufficient for their needs. An increase in requests for medical relief is attributed to the use of funds for food purchases and the resulting necessity of applying for free care whenever medical assistance is required.

Reconstruction of housing is progressing slowly. It is handicapped by shortages of material and transportation.

The most pressing needs are for clothing and fuel, both of which are critical items in short supply throughout the country.

Relief

3. The Japanese Ministry of Health and Welfare estimated the number of persons in need of relief as of 1 January 1946 as follows:

<u>Category of Need</u>	<u>Number</u>
Unemployable	760,000
Unemployed	4,340,000
Needy repatriates	860,000
Others	<u>2,040,000</u>
Total	8,000,000

4. Unemployment has increased because the people refuse to work for wages which are considered below the present cost of living. Some demobilized Japanese servicemen and repatriates have deferred seeking employment and prefer to engage in black-market activities.

5. Occupation Forces were directed to check the inventory of Japanese Army and Navy stocks returned to the government and which were to be held for relief purposes; also to supervise local Japanese relief distribution.

Social Insurance

6. The Ministry of Health and Welfare reported that on 31 December 1945 there were 10,443 local insurance agencies and organizations administering the social insurance issued by the National Health Insurance, Sickness Insurance, Pension Insurance, Worker's Liability Insurance and Seamen's Insurance Agencies. There were 41,409,450 individuals insured under the system.

Foreign Nationals

7. Occupation Forces were authorized to distribute stocks seized from enemy nationals, American Red Cross clothing supplies and certain POW supplies to needy foreign nationals of Allied or neutral countries. These relief supplies are to be distributed through responsible agencies, societies or committees representing the foreign national groups resident throughout Japan.

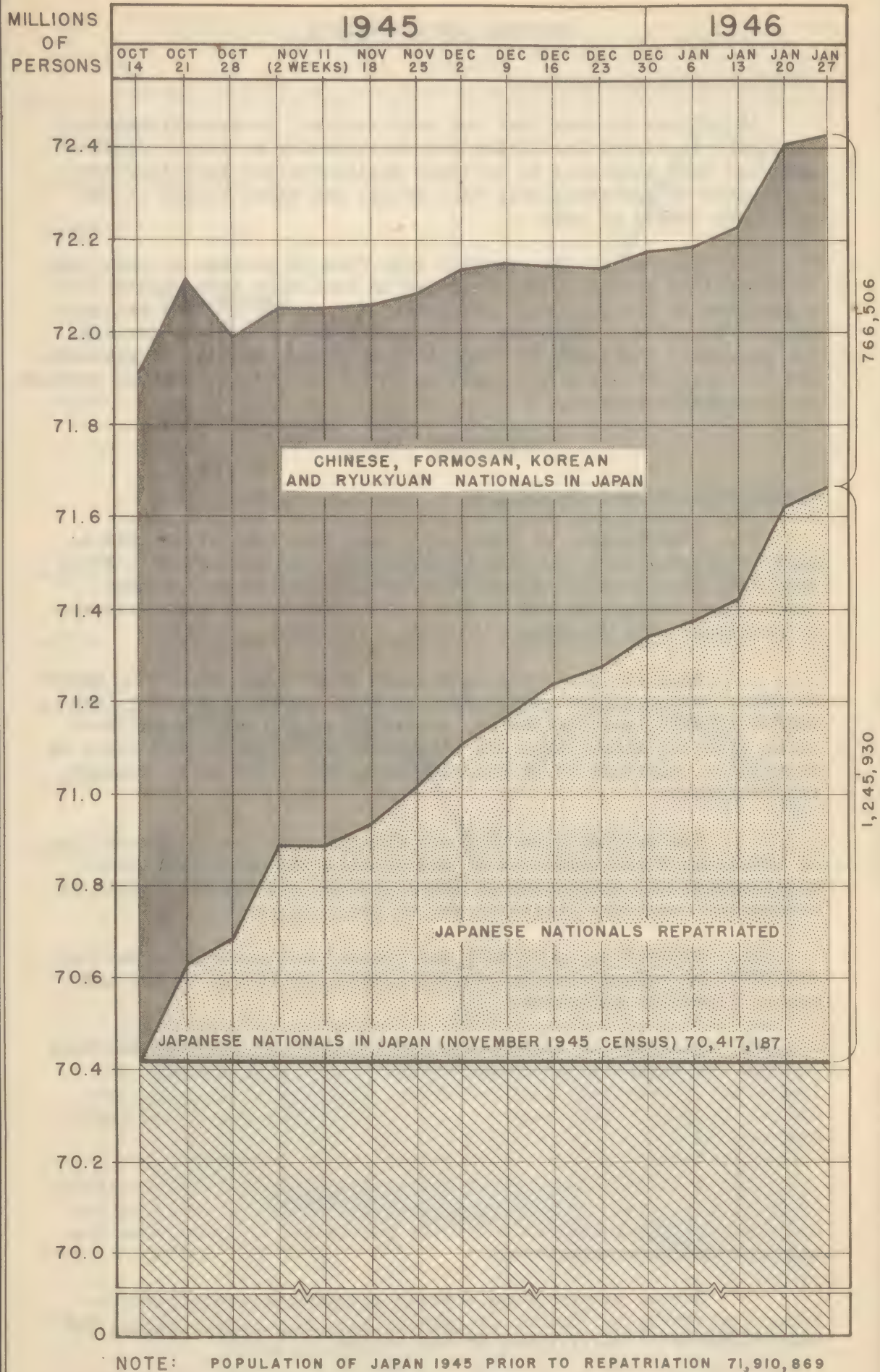
8. For nationals of countries with which the Allied Powers have been at war, the Japanese Government has been directed to supply those necessities which by reason of blocked accounts or other financial incapacity they cannot provide themselves.

Repatriation

9. As of 27 January 1946 the number of individuals repatriated from Japan totalled 730,458 while 1,245,930 Japanese ex-servicemen and civilians had been returned to Japan. Repatriates included 686,984 Koreans; 7,519 Formosans; 30,683 Chinese, 5,202 Ryukyans; and 70 nationals of other countries.

10. The net effect of this movement to and from Japan upon the population of Japan Proper is shown in Chart No. 31. Increases shown for January represent actual movement of individuals during the month and prior movements which had not been reported previously.

11. Many Koreans and Chinese have indicated their desire to remain in Japan rather than accept repatriation. This inclination has become increasingly apparent since it became known that they would be permitted to take only limited amounts of money and valuables with them.



THE EFFECT OF REPATRIATION UPON THE POPULATION OF JAPAN

HOSPITAL ADMINISTRATION

Japanese Civilian Hospitals

12. Since October 1945 new construction, re-establishment of partially destroyed facilities and the transfer of former Japanese Army and Navy hospitals to civilian administration have increased the number of operating hospitals by 413 and added 73,502 to the available number of beds.

13. The decline in occupied beds from 61 percent to less than 40 percent is caused by the increase in available beds rather than a decrease in the number of patients. The number of beds has increased 58 percent while the number of in-patients has increased two percent. Chart No. 32 shows that the in-patients, out-patients and the total of these two have not deviated greatly from the average of preceding months.

VETERINARY AFFAIRS

Veterinary Laws and Regulations

14. Translations of laws and regulations concerning veterinary activities were received from the Japanese Government. These show that the Ministry of Health and Welfare dairy regulations (1933 Code) are applicable to fluid milk traders and manufacturers of processed milk products.

Specific directions are given concerning employees, health of dairy cattle, undesirable types of milk, specific gravity, butterfat content, pasteurization, bacterial count, cooling and bottling of milk, cleanliness and sterilization of equipment, types of containers, markings to be placed thereon and fines to be imposed for violations.

Prefectural governors are charged with the responsibility of enforcing these regulations; the details concerning equipment, construction and management of dairy plants; and the employment of a competent sanitary expert to act as dairy inspector.

15. Prefectural governors are granted authority to order the slaughter of horses with infectious anemia, reimburse owners and impose fines for violations.

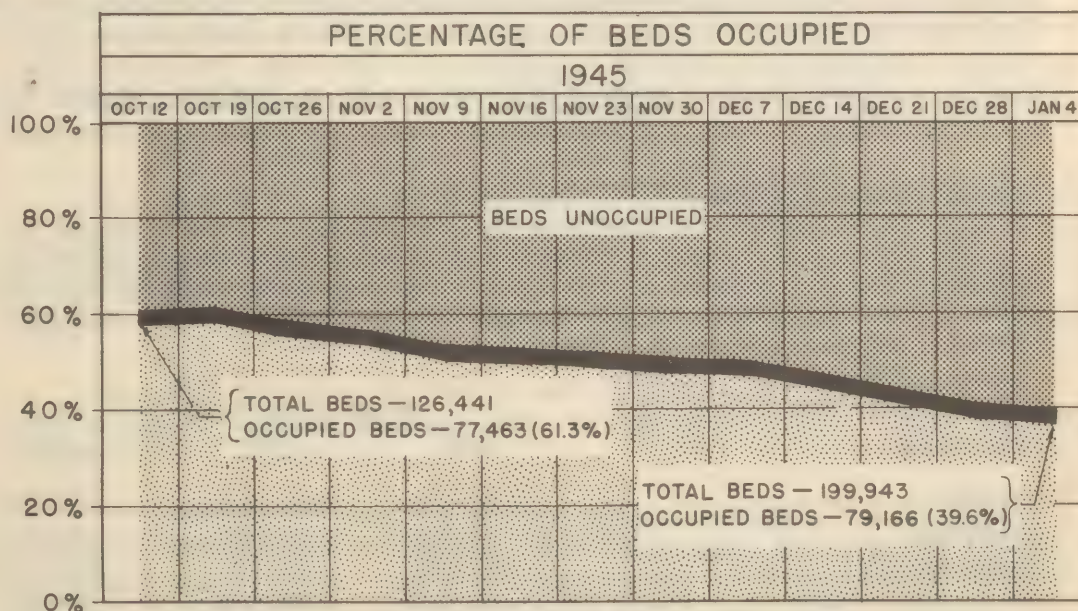
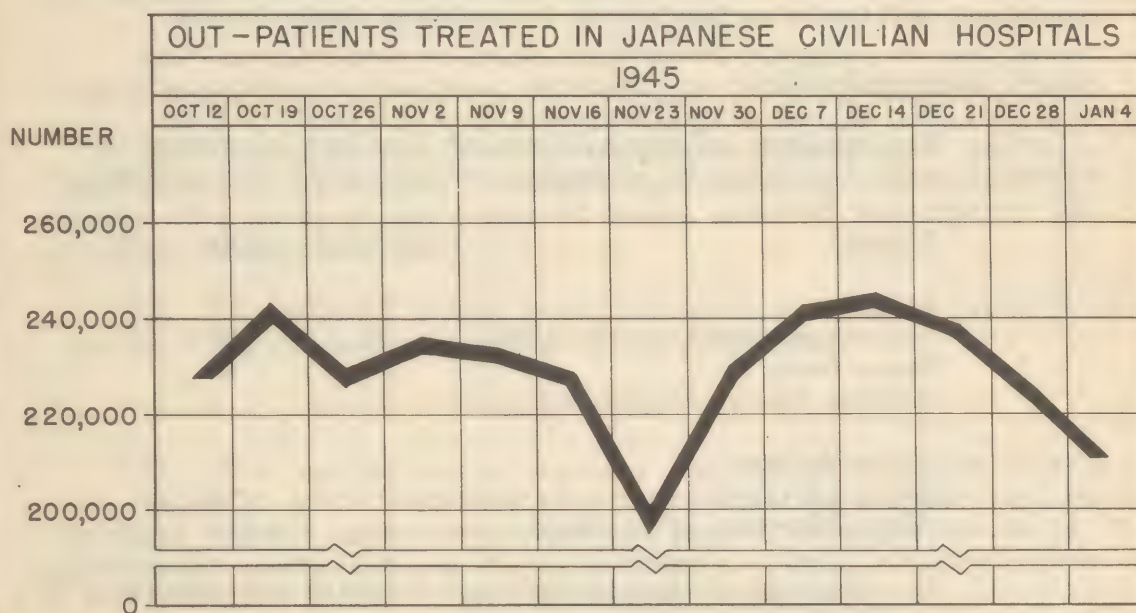
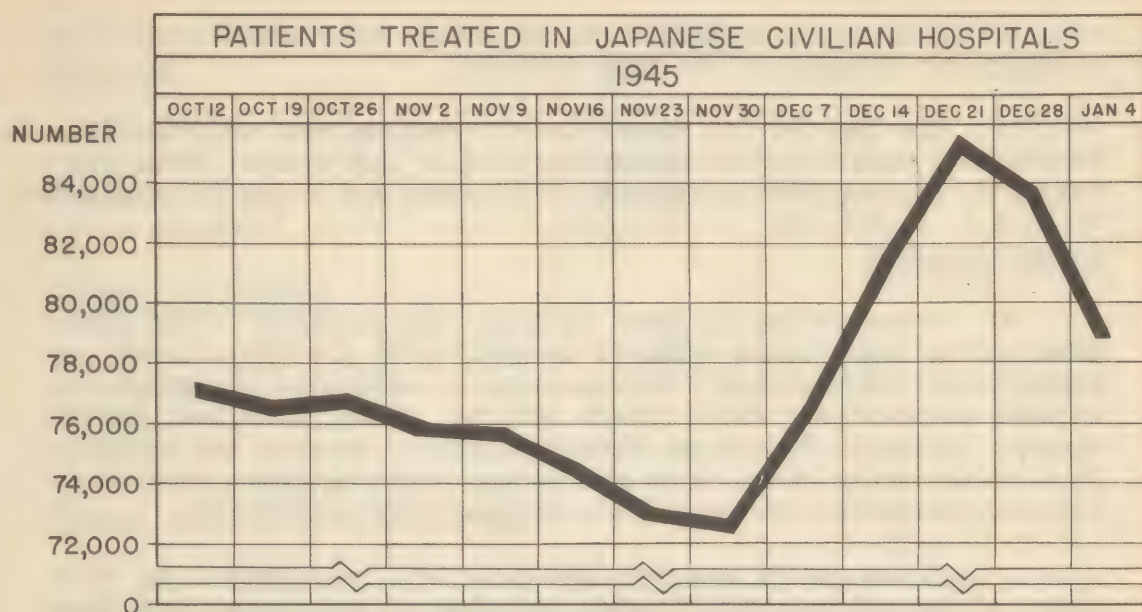
16. Ministry of Agriculture and Forestry regulations and laws include the animal disease law in which provisions are made for isolation, quarantine, disinfestation, disposal of diseased carcasses, dipping, immunization, reporting, reimbursement and fines for violations.

Prefectural governors are charged with the responsibility of enforcing these regulations through the medium of local police and veterinary commissioners for the prevention of infectious diseases of domestic animals.

Bovine tuberculosis control includes specific instructions concerning all phases of tuberculosis eradication except for the frequency of application of the tuberculin test.

17. The Imperial Ordinance allocating expenses for infectious animal disease control charges the national treasury, prefectures, municipalities and owners with proportionate shares of the expense for tuberculosis and other infectious disease control.

18. The animal quarantine regulations provide for the location



SOURCE: MINISTRY OF HEALTH AND WELFARE

HOSPITAL PATIENTS (IN CIVILIAN HOSPITALS-JAPAN)

of quarantine stations, duties of inspectors and instructions concerning the disposal of diseased animals.

19. The law for the licensing of veterinarians contains information relative to the qualifications of applicants, fees, professional ethics, discontinuance of licenses and fines for violation.

Animal Industry

20. Horse racing in Japan is under the guidance of the Japanese Racing Association which is controlled by the Ministry of Agriculture and Forestry. The Association maintains 11 tracks located as follows: Fuchu (Tokyo Suburb), Osaka, Wakayama, Kokura, Myasaki, Niigata, Fukushima, Yokohama, Kyoto, Sapporo and Hokadate. It also maintains three horse and jockey training farms located at Morioka, Shizuanai (Hokkaido) and Setagaya (Tokyo Suburb).

Horse racing was terminated in 1943 by order of the Ministry of Agriculture and Forestry and none of the tracks have functioned since that time. The Ministry of Agriculture has, in the meantime, utilized the facilities by stabling draft horses.

Animal Disease Control

21. The Ministry of Agriculture and Forestry's summary of animal disease incidence for December 1945 included the following:

<u>Disease</u>	<u>Outbreaks</u>	<u>Cases</u>
Blackleg	2	3
Infectious abortion of cattle	5	16
Texas fever	1	23
Anthrax (cattle)	1	1
Swine cholera	1	51
Swine erysipelas	1	13
White diarrhea of chickens	6	2,791

The Ministry of Agriculture and Forestry has submitted a separate report of the incidence of equine infectious abortion. This report shows that a total of 331 cases occurred during the 1944-45 breeding season in Hokkaido, Aomori and Iwate Prefectures.

The animal disease incidence shows no marked changes from previous reports.

Veterinary Biological Production

22. The Veterinary Laboratory Section, Ministry of Agriculture and Forestry, has submitted the following biological production figures. They represent actual production for 1944 and 1945 and an estimate of production for 1946.

<u>Anti-Sera</u>	<u>Production (unit cc)</u>		
	<u>1944</u>	<u>1945</u>	<u>1946</u>
Anthrax	138,380	555,200	800,000
Blackleg	10,500	10,500	10,000
Swine cholera	357,800	43,850	300,000
Swine erysipelas	78,700	109,700	80,000
Tetanus	240,800	33,010	1,000,000
Fowl cholera	53,200	30,000	50,000
Canine distemper	30,900	24,000	5,000
Strangles	1,041,950	454,300	1,200,000
Fowl diphtheria	354,950	120,000	400,000
Equine infectious abortion	---	---	300,000

<u>Vaccines</u>	<u>Production (unit cc)</u>		
	<u>1944</u>	<u>1945</u>	<u>1946</u>
Anthrax	47,060	20,700	38,000
Rabies	190,350	50,100	50,000
Blackleg	680,600	236,900	700,000
Swine cholera	3,500,070	821,650	1,500,000

Diagnostic Agents

Mallein	300	560	1,000
Tuberculin	76,050	17,330	60,000

DENTAL AFFAIRS

Dental Supplies and Equipment

23. By direction of SCAP the Japanese Government has issued instructions giving medical and dental supplies priority in transportation.

24. An allotment of gold, silver and platinum to meet three months requirements has been released for dental purposes.

25. A fire in one of three warehouses belonging to the Dental Materials Control Company destroyed approximately three month's supply of a third of the items of dental material required by the dentists of Japan.

26. Prefectural Dental Associations elected their own officers who had formerly been appointed by the government.

NURSING AFFAIRS

27. The regulations of Japanese Public Health Nurses Association dated 25 April 1945 have been received. The purposes and rules by which members are governed are outlined. The organization is government controlled and the women have no voice in its policies.

28. The copy of Regulations for Public Health Nurses issued by the Ministry of Health and Welfare, Ordinance No. 21, 31 May 1945, was received. These regulations are divided into: I, General Rules; II, License; III, Duties; and IV, Punishments. Most of these regulations are poorly written and the meaning is vague. Observation indicates that they are not followed in practice.

29. The Tokyo Red Cross Hospital has been given permission to reprint three Japanese Red Cross First Aid Books which were not covered by previous directives. These books will be distributed to the 38 Red Cross Hospitals which have training schools for nurses.

30. The Ministry of Health and Welfare has organized three Public Health nursing courses for the new school year which begins in April.

Course "C" will be of one year's duration for midwives who wish to take Public Health. The "B" course will be two years in length and will be that available at the average nursing school. The "A" course will be at the college level and can be adopted by few schools at the present time. Courses "B" and "C" will be raised to the three year level as soon as conditions permit.

Principal changes involve increased time allotment to practical nursing and field practice. The time allotted to the

various services varies according to the type of hospital to which the school is attached.

MEDICAL SUPPLY

Production

31. Total production of medical supplies and equipment was approximately the same as during November 1945. Shortages of fuel and raw materials are the main problems. Increased allocations of those items have been directed.

32. The Japanese Government has been directed to submit a list of the minimum requirements of fuel and principal raw materials required for operation of manufacturing plants. Manufacturers of medical and sanitary materials will be provided with sufficient quantities of raw materials to insure adequate production.

Action is being taken to handle on the spot shortages of raw materials in order to stimulate production of critically needed medicines.

33. The Japanese Government was directed to submit by 20 February 1946 a plan for the manufacture of medical supplies and equipment with particular reference to the production of vaccine and sera.

34. The production of vaccines is increasing. The production of smallpox vaccine is expected to increase sufficiently to meet requirements for vaccination of repatriates and to vaccinate the Japanese population in areas where epidemics occur.

Definite efforts are being made by the Japanese Government to increase prices of medicines, particularly vaccines, in order to stimulate production.

35. Isolated cases of production of drugs of questionable quality and medicinal value have been noted and corrective measures taken to stop production of this nature.

36. Required vaccines and delousing supplies are not available in China for processing of Japanese repatriates and action is being taken to make these items available from stocks in Japan. Smallpox vaccine will be supplied from Japanese production.

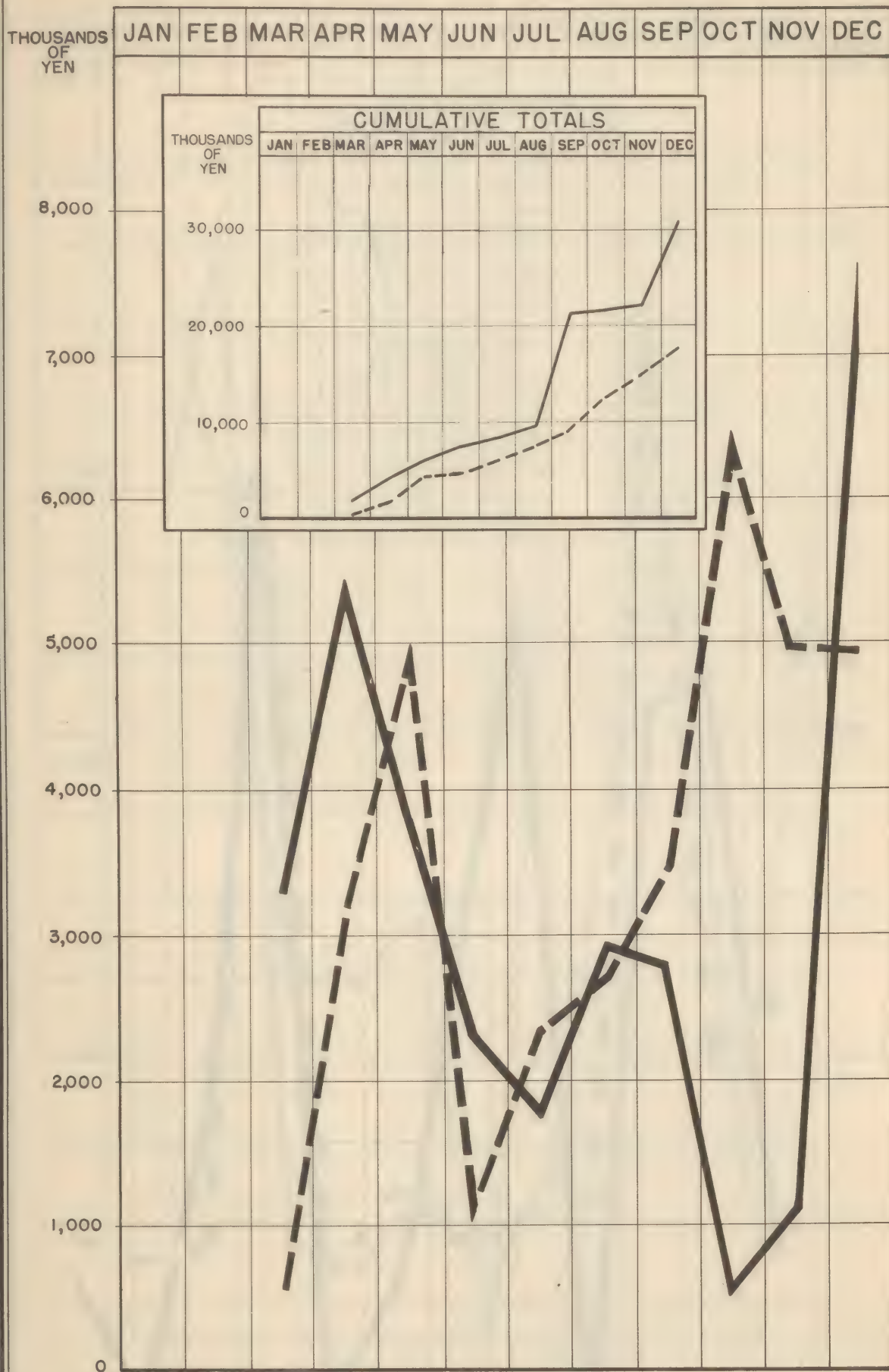
37. It has been determined that by using indigenous materials the Japanese are capable of supplying, grinding and mixing 200 tons of talc for use as a vehicle with DDT.

The Japanese Government has indicated they can manufacture hand dusting equipment and steps are being taken to initiate production.

Distribution of New Production

38. Continued progress has been shown in moving newly manufactured medical supplies into civilian channels. Graphs 33 to 37 inclusive indicate that shipments have increased generally from producers to central distributing agencies and from the central companies to the prefectural distributing concerns. Close supervision of the distributing agencies is being maintained to insure that supplies move to the ultimate consumers expeditiously.

39. Inspections indicated that transportation was a major factor hindering distribution. Transportation officials at both



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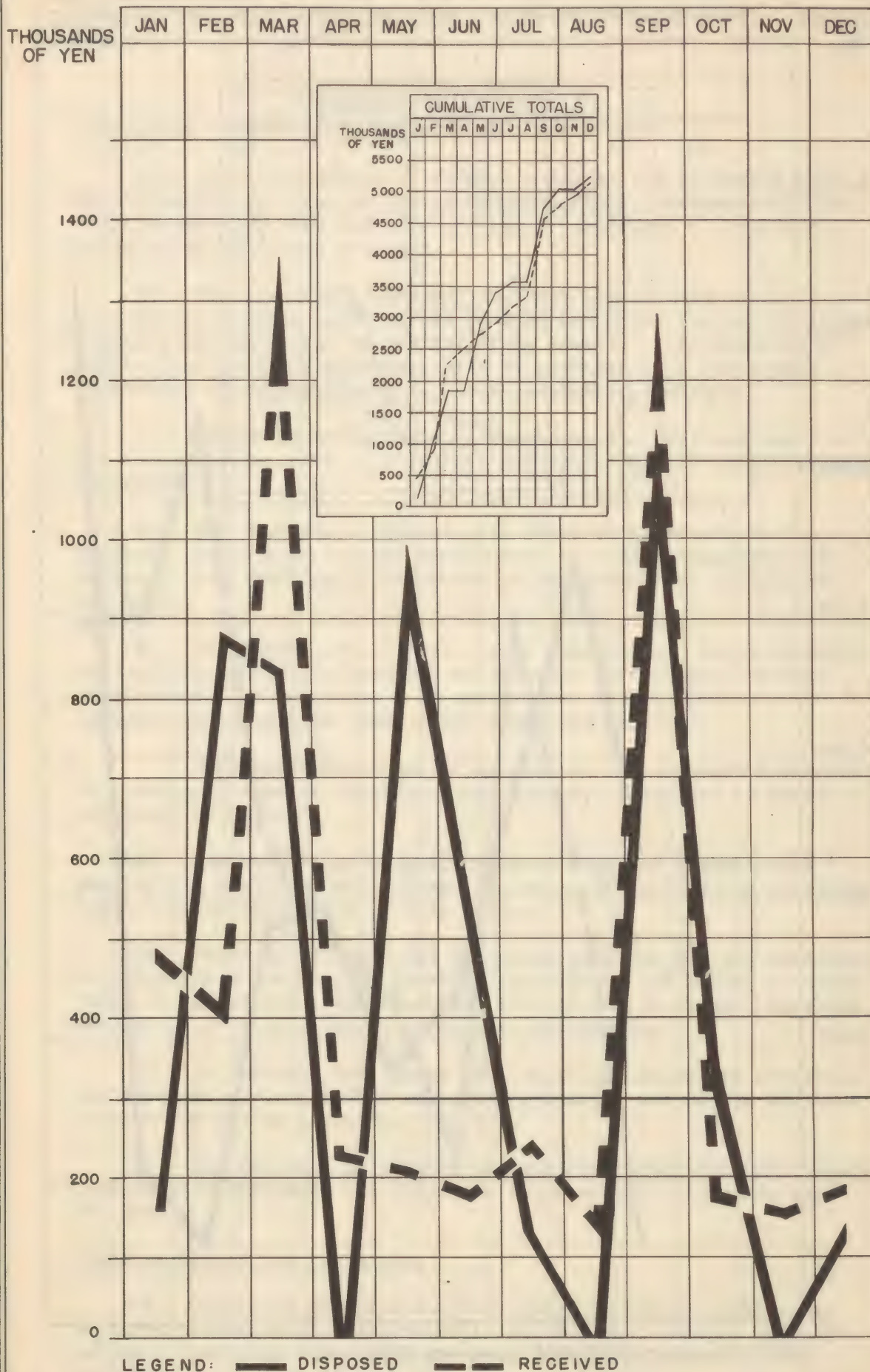
NOTE: JAN. & FEB. DATA NOT AVAILABLE - RECORDS DESTROYED BY FIRE

SOURCE: MINISTRY OF HEALTH AND WELFARE

SELECTED MEDICINES

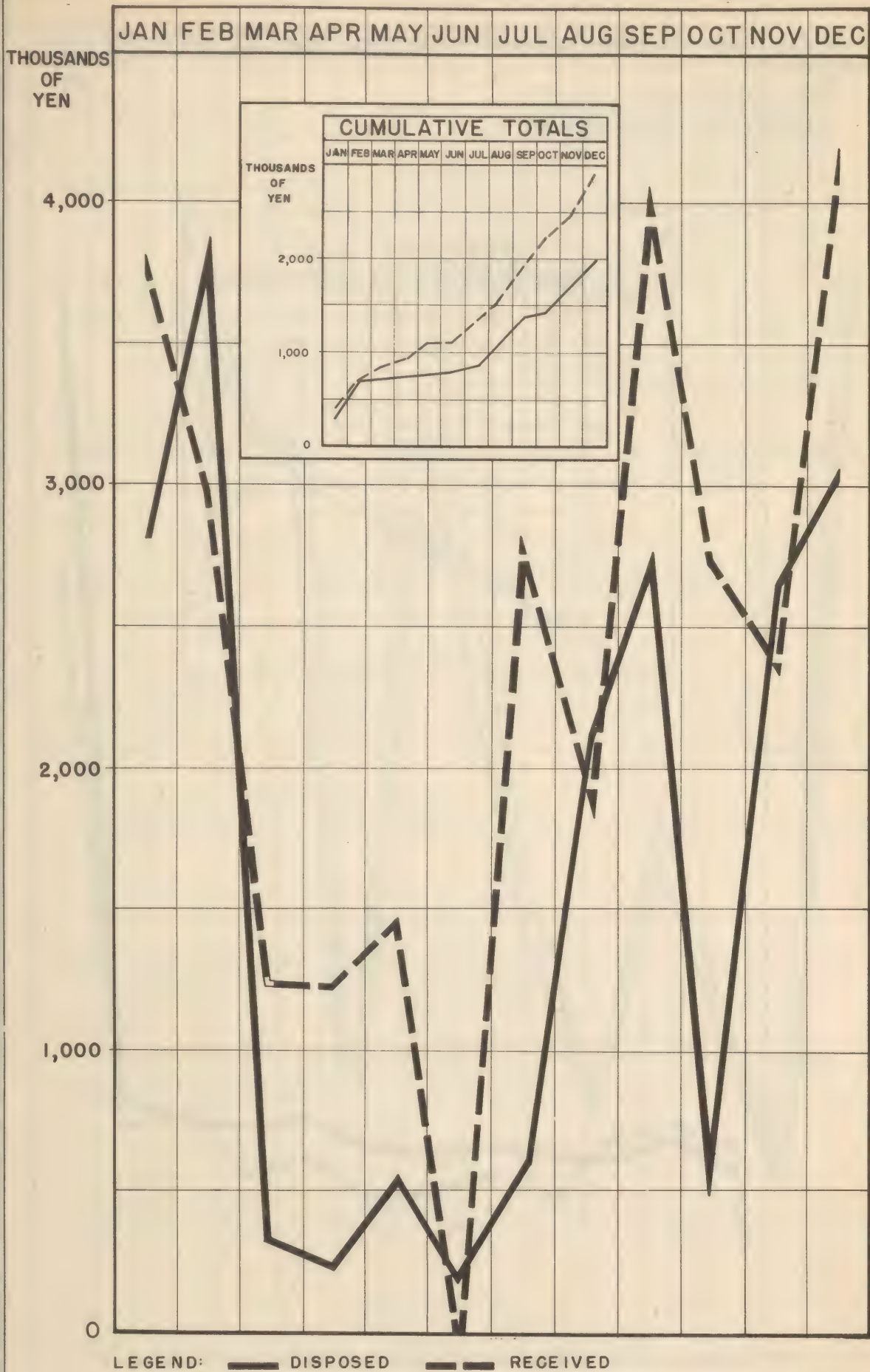
COST VALUE OF SUPPLIES RECEIVED AND DISPOSED
UNDER GOVERNMENT CONTROL-1945

JAPAN



MEDICAL APPLIANCES COST VALUE OF SUPPLIES RECEIVED AND DISPOSED UNDER GOVERNMENT CONTROL - 1945

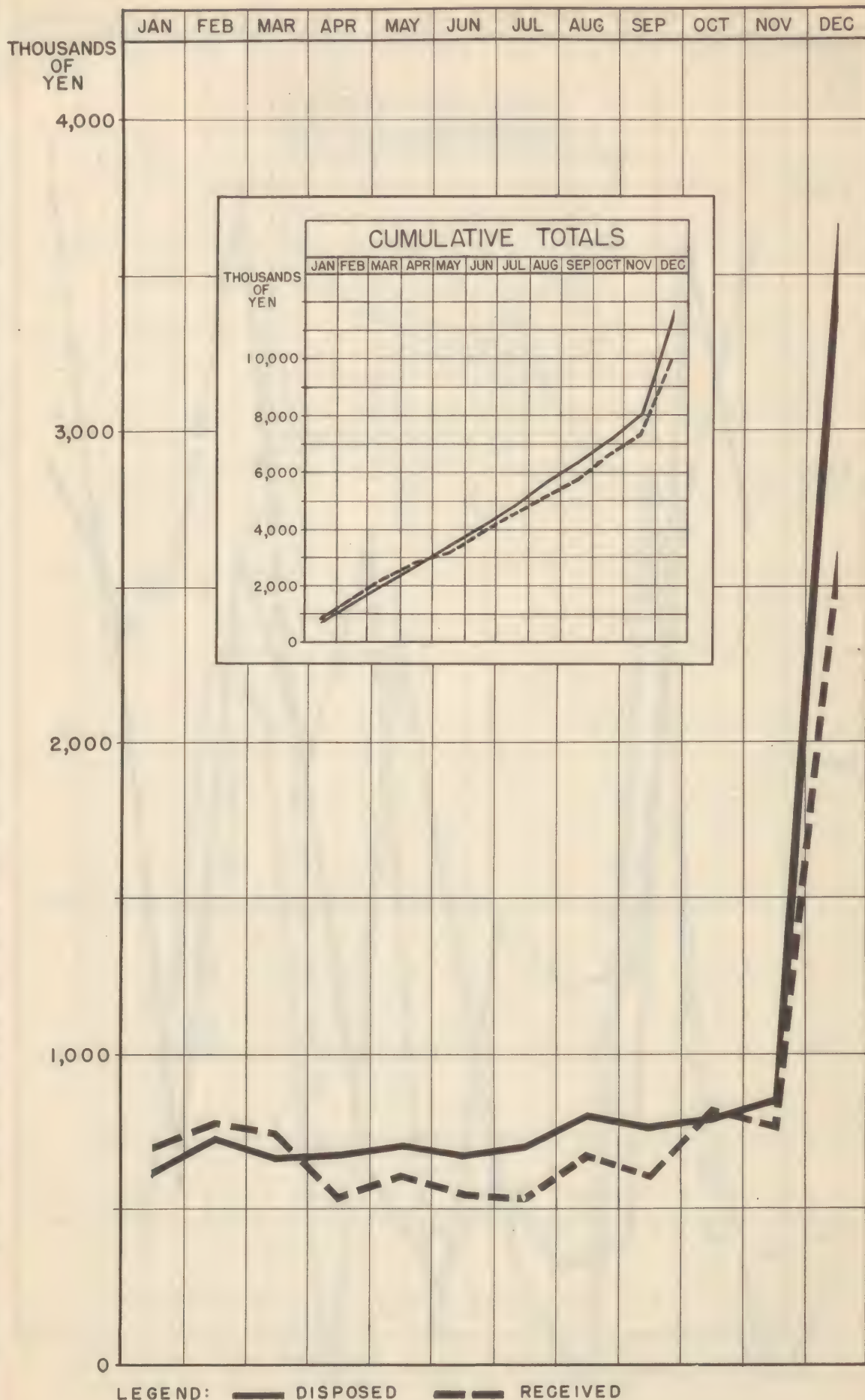
JAPAN



SOURCE: MINISTRY OF HEALTH AND WELFARE

DENTAL SUPPLIES COST VALUE OF SUPPLIES RECEIVED AND DISPOSED UNDER GOVERNMENT CONTROL - 1945

JAPAN

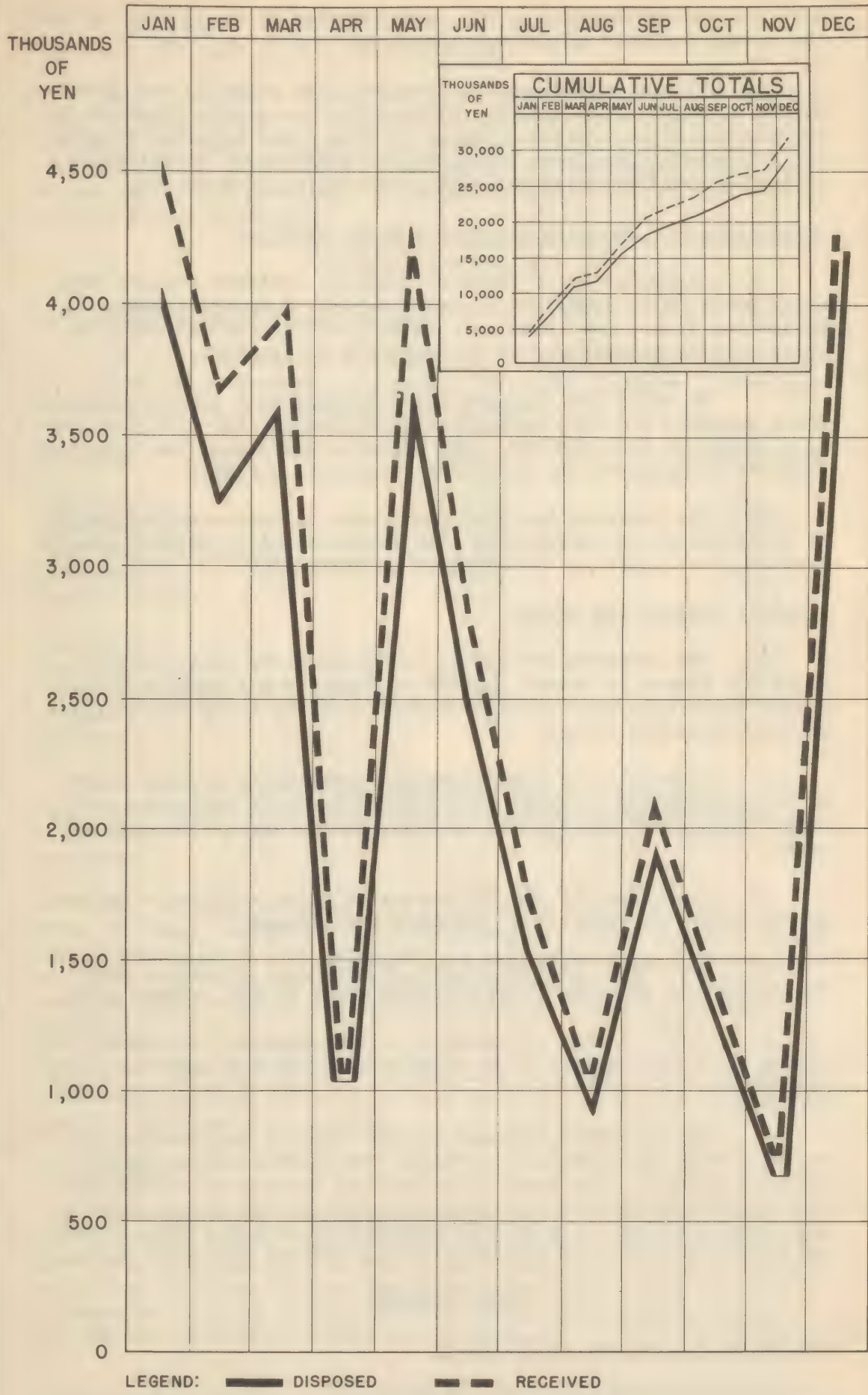


SOURCE: MINISTRY OF HEALTH AND WELFARE

SANITARY SUPPLIES

COST VALUE OF SUPPLIES RECEIVED AND DISPOSED
UNDER GOVERNMENT CONTROL - 1945

JAPAN



SOURCE: MINISTRY OF HEALTH AND WELFARE

HOME REMEDIES

COST VALUE OF SUPPLIES RECEIVED AND DISPOSED
UNDER GOVERNMENT CONTROL-1945

JAPAN

national and prefectural levels were directed to assign high priority to the movement of medical supplies.

40. Visits to prefectures revealed that delay in the distribution of supplies by prefectural agencies was due to slowness in preparation of distribution plans. A simple but complete program for distribution has been organized for prefectural distribution to insure rapid movement and wide distribution of supplies.

Distribution of Japanese Military Medical Supplies

41. Distribution of returned Japanese military medical supplies presents an important current problem of medical supply. Occupation Forces have returned the bulk of the medical supplies which will be transferred to the Japanese Government.

To date, the Japanese have inventoried ¥ 110,000,000 of these supplies and have authorized distribution into civilian channels valued at ¥ 21,000,000. The Japanese Government has been instructed to complete the inventory as soon as possible.

42. The ministry has been instructed to handle authorization of distribution to prefectures with dispatch and to balance stocks between prefectures at the earliest possible date.

Narcotic Control and Supply

43. The Japanese Government submitted a new list of drug wholesale houses to assume custody of Japanese military narcotic stocks which have been concentrated and are now being inventoried by the Occupation Forces.

Inspection of facilities for safekeeping is made prior to authorizing the transfer of the narcotics into the custody of these firms which are located in distribution centers throughout Japan.

44. Approximately 100,000 ounces of opium residue containing approximately one percent of morphine were burned.

45. Reports of reserve stocks of medicinal narcotics show the amounts as well above the required level at the present time.

46. On 27 January a directive to the Japanese Government required the establishment of an effective system for narcotic control in Japan.

The principal features of the required legislation will be the annual registration, licensing and classification of all narcotic dealers; submission of periodical reports of stocks and transactions by the dealers; proper accounting for all packages of narcotics which may only be sold pursuant to recorded order forms; and making violators of the narcotic law subject to severe penalties.

LEGAL AFFAIRS

Abolition of Licensed Prostitution

47. On 21 January a memorandum was sent to the Japanese Government directing the abolition of licensed prostitution throughout the nation and further directing that all contracts and agreements which have for their object the binding or committing of a woman to the practice of prostitution be nullified.

Japanese Ministry of Health and Welfare

48. A complete report was submitted by the ministry indicating the organization of the bureaus and component sections; the personnel thereof by number, rank, grade and duty performed; and the changes in each section expected as a consequence of the reorganization and personnel reduction as ordered in all ministries by the Japanese cabinet.

PREVENTIVE MEDICINE

Communicable Diseases During 1945

49. The reportable communicable diseases for the year 1945 are shown by prefecture on Maps No. 38 to 45 inclusive. The incidence and rates for Japan as a whole are:

<u>Disease</u>	<u>Cases</u>	<u>Rates/ 100,000/Annum</u>
Diphtheria	77,256	107.2
Dysentery	78,453	108.9
Epidemic Meningitis	3,815	5.3
Paratyphoid	9,278	12.9
Scarlet fever	2,267	3.1
Smallpox	1,719	2.4
Typhoid fever	51,294	71.2
Epidemic typhus	2,392	3.3
Plague	0	0
Cholera	0	0

The failure of the reporting system, particularly during the final months of the war, must be taken into account and allowances made for a greater factor of error than might otherwise be expected.

50. Two-day meetings with prefectural health officers were held in Tokyo, Yamagata, Kyoto and Fukuoka. While they had originally been planned for demonstration and instruction in typhus control, it was found that they presented an excellent opportunity to discuss various other aspects of communicable disease control in general.

The occurrence of an outbreak of typhus fever in Yamagata Prefecture just at the time of that meeting was used to demonstrate control measures in the field.

Typhus Fever

51. There has been some typhus fever on the island of Honshu, the principal source being Yamagata Prefecture. Sporadic cases have been reported from several other prefectures. There exists considerable evidence that the great majority of these cases were contracted in Korea by Japanese repatriates who moved to Japan during the incubation period of the disease.

The typhus situation on the island of Hokkaido has been brought under control. The number of reported cases in that region has shown a marked decrease.

Smallpox

52. Smallpox has become widely disseminated throughout the entire country during January. The principal epidemic foci are located in Hyogo, Aichi and Nagasaki Prefectures, in Hokkaido and



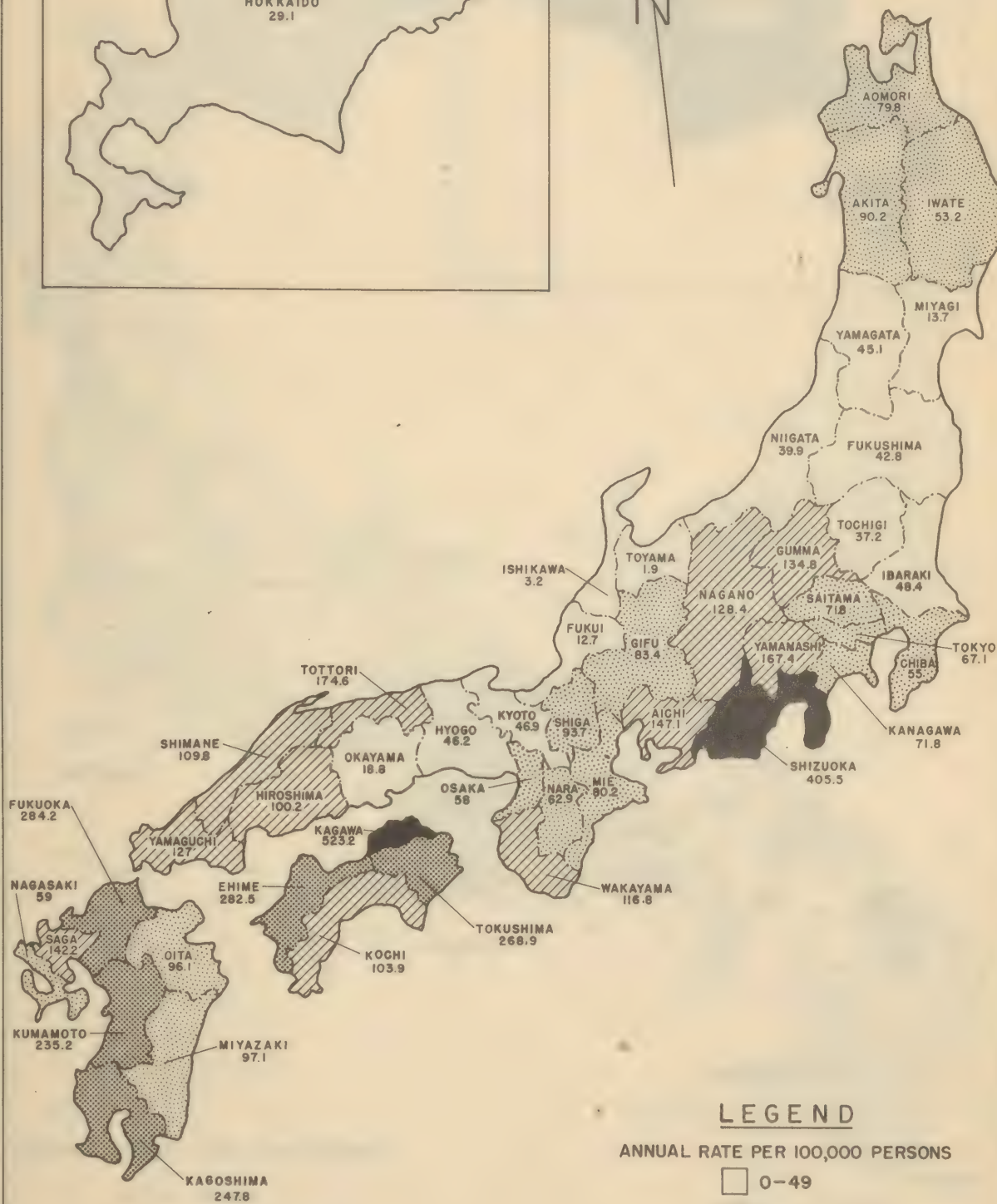
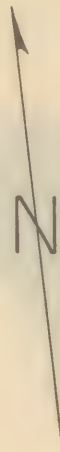
NOTE: JAPAN RATE: 107.2

SOURCE: MINISTRY OF HEALTH AND WELFARE

DIPHTHERIA

ANNUAL RATE BY PREFECTURES-1945

JAPAN



LEGEND

ANNUAL RATE PER 100,000 PERSONS

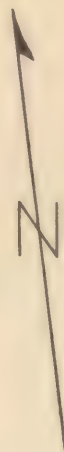


NOTE: JAPAN RATE: 108.9
SOURCE: MINISTRY OF HEALTH AND WELFARE

DYSENTERY

ANNUAL RATE BY PREFECTURES - 1945

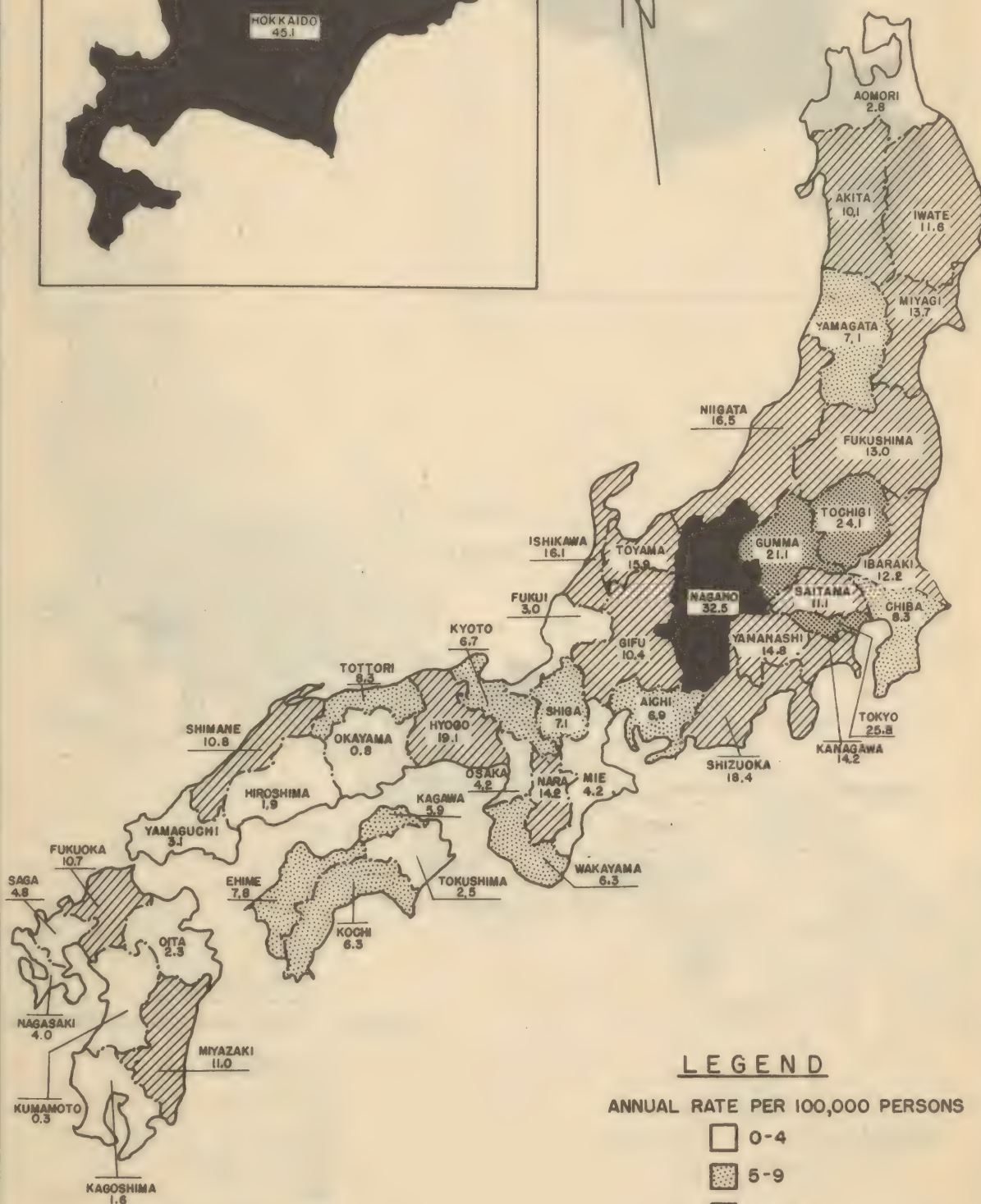
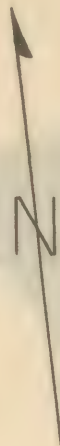
JAPAN



NOTE : JAPAN RATE: 5.3

SOURCE: MINISTRY OF HEALTH AND WELFARE

EPIDEMIC MENINGITIS ANNUAL RATE BY PREFECTURES - 1945 JAPAN



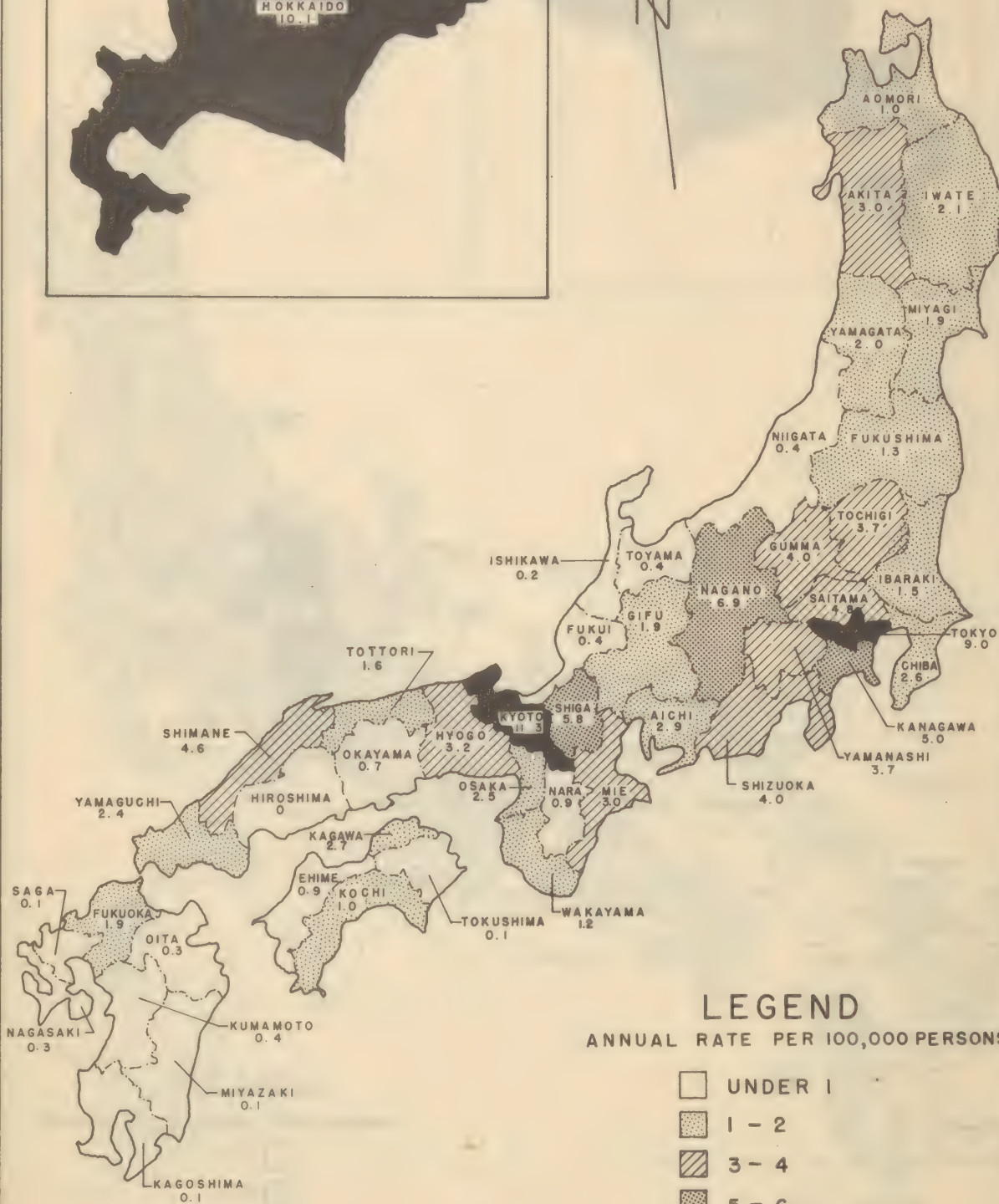
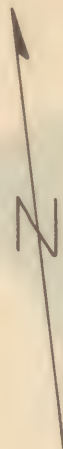
LEGEND

ANNUAL RATE PER 100,000 PERSONS

- 0-4
- 5-9
- 10-19
- 20-29
- 30 AND OVER

NOTE: JAPAN RATE 12.9
SOURCE: MINISTRY OF HEALTH AND WELFARE

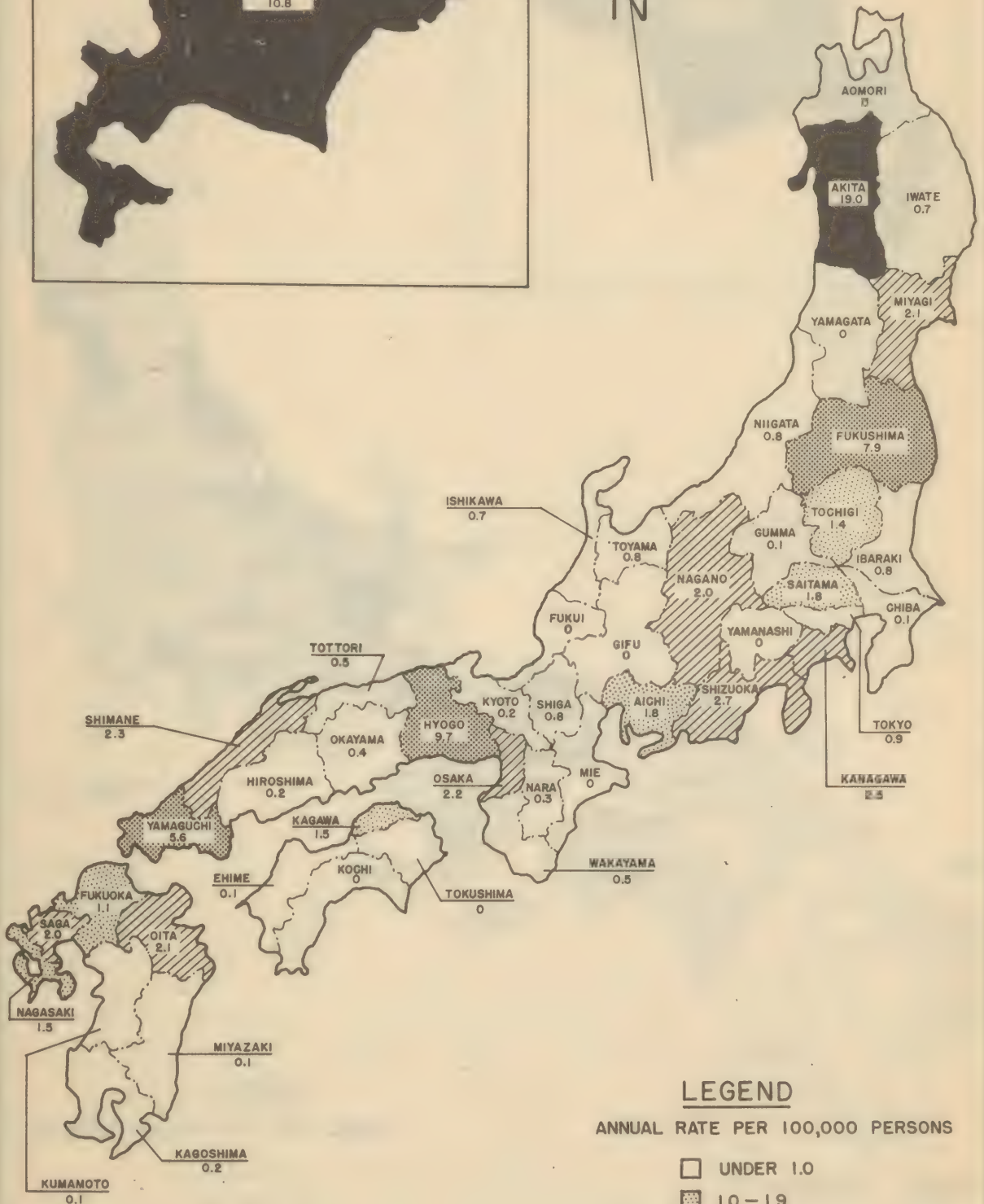
PARATYPHOID ANNUAL RATE BY PREFECTURES - 1945 JAPAN



NOTE: JAPAN RATE 3.1

SOURCE: MINISTRY OF HEALTH AND WELFARE

SCARLET FEVER ANNUAL RATE BY PREFECTURES - 1945 JAPAN



LEGEND

ANNUAL RATE PER 100,000 PERSONS

- UNDER 1.0
- 1.0 - 1.9
- 2.0 - 4.9
- 5.0 - 9.9
- 10.0 AND OVER

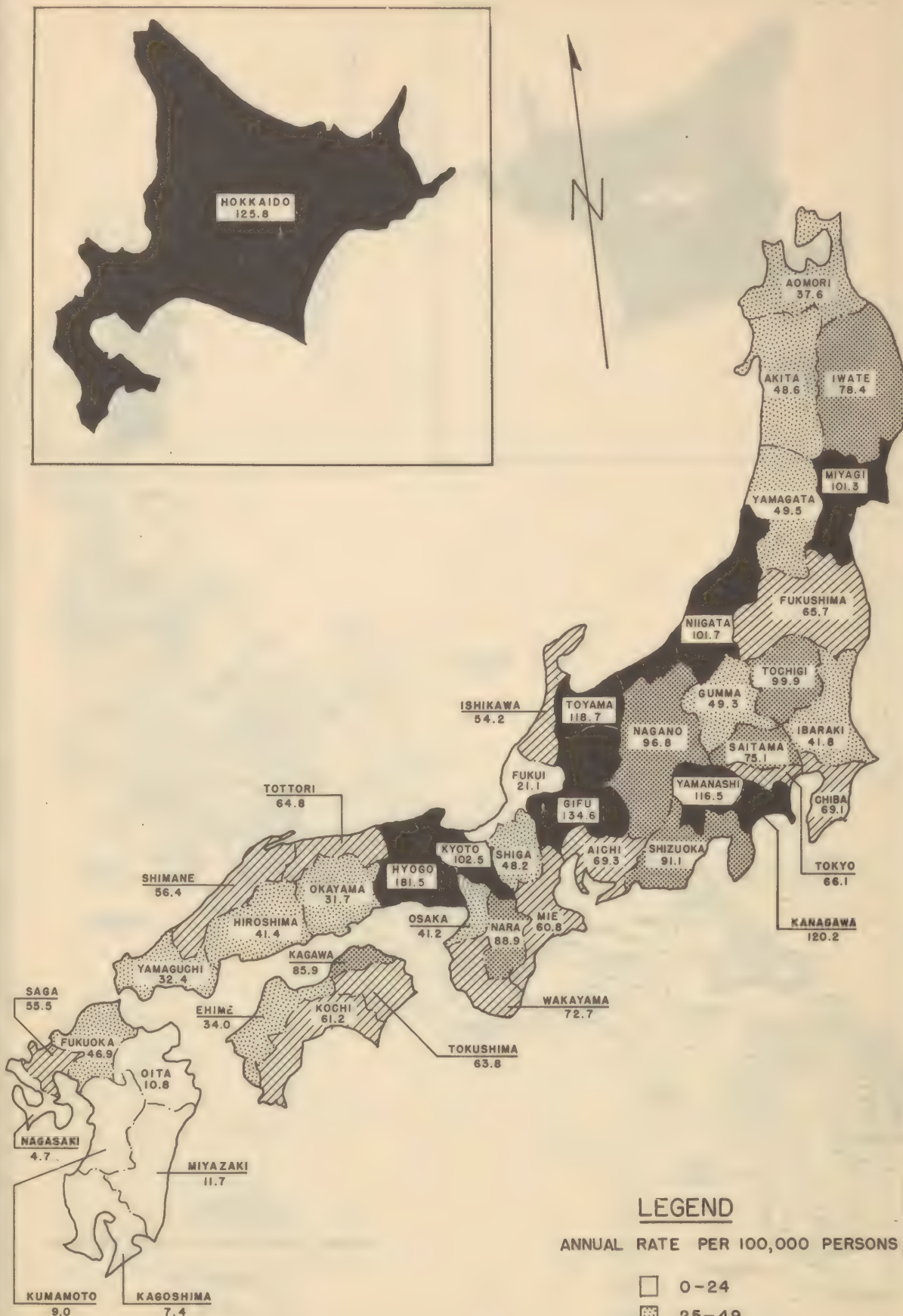
NOTE: JAPAN RATE: 2.4

SOURCE: MINISTRY OF HEALTH AND WELFARE

SMALLPOX

ANNUAL RATE BY PREFECTURES 1945

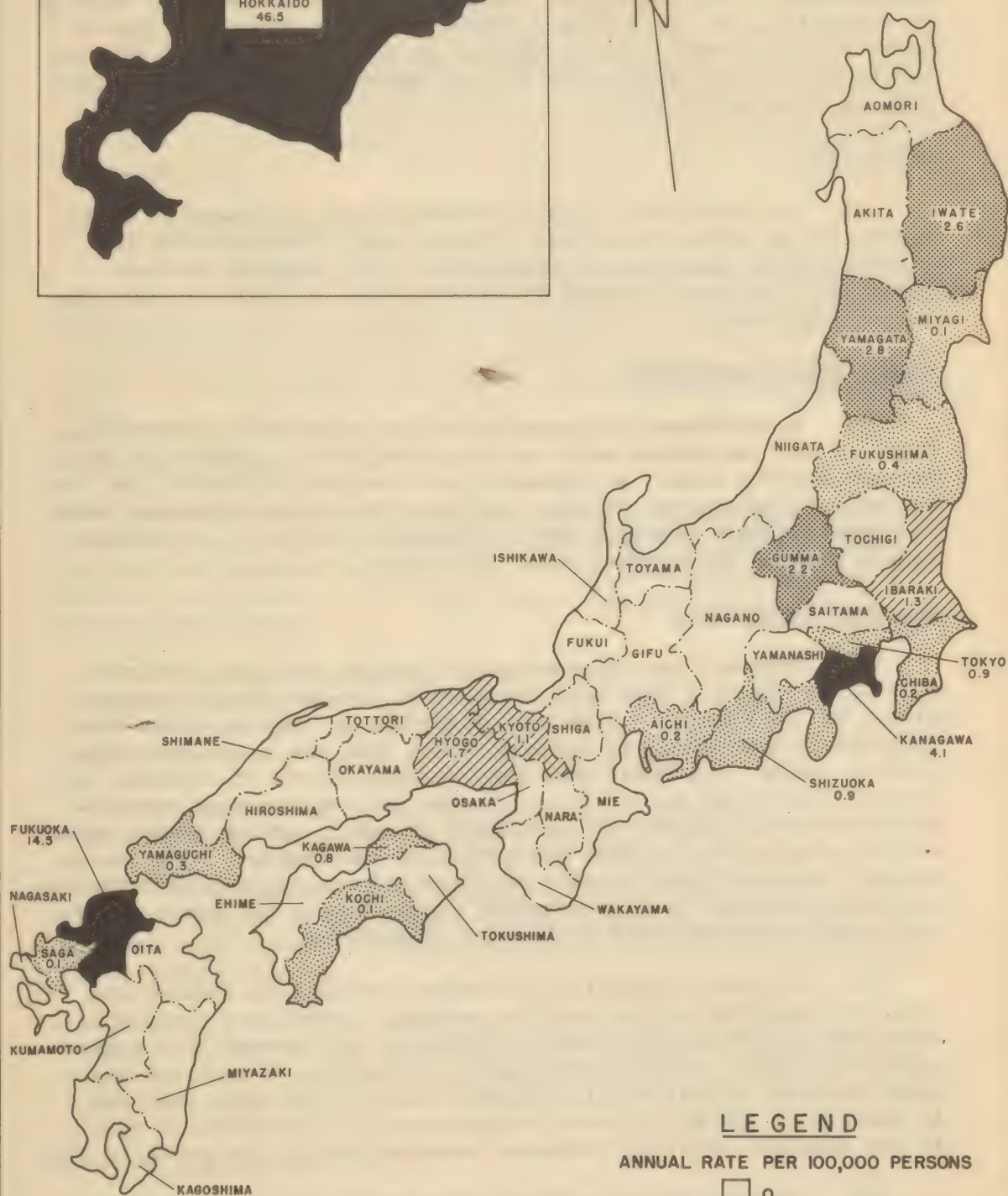
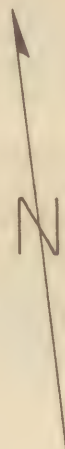
JAPAN



NOTE : JAPAN RATE: 71.2

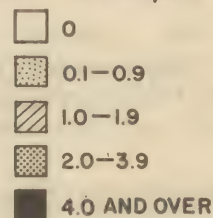
SOURCE: MINISTRY OF HEALTH AND WELFARE

TYPHOID ANNUAL RATE BY PREFECTURES-1945 JAPAN



LEGEND

ANNUAL RATE PER 100,000 PERSONS



NOTE: JAPAN RATE: 3.3
SOURCE: MINISTRY OF HEALTH AND WELFARE

EPIDEMIC TYPHUS ANNUAL RATE BY PREFECTURES - 1945 JAPAN

to a lesser extent Shimane Prefecture. Following a slight decrease during the first few days of the month, the epidemic in Kobe, Hyogo Prefecture, again flared up and has continued to persist throughout the remainder of the month.

53. An investigation of the Kobe epidemic showed the administrative and epidemiologic aspects of the control program to be satisfactory. The potency of the present stock of Japanese vaccine is doubtful as it was produced before the war. The production of new stock of potent smallpox vaccine is being expedited to make it available as soon as possible for the nation-wide vaccination program as directed by SCAP.

Diphtheria

54. All available figures concerning the incidence of diphtheria by age groups have been obtained and a comprehensive plan for diphtheria immunization formulated. The Imperial Japanese Government has been directed to submit detailed plans for carrying out this program.

Repatriation Conference

55. A conference on repatriation was attended by representatives of all interested major military and naval commands in the Western Pacific Area. An agreement was reached to observe the International Quarantine Covenant and that the proper clearance watch for quarantinable diseases would be made at both ends of shuttle routes bearing repatriates to or from Japan.

Sanitary Engineering

56. Reports from Japanese public health officials indicate that water supplies have been restored to pre-war levels in most cities of the country. Repair of distribution systems shows some improvement especially in Yokohama where some new mains are being laid to replace old lines with many unknown places of leakage, and in Tokyo where the aid of five brigades and neighborhood associations has been enlisted in the repair of small service breaks which are responsible for a large proportion of the leakage. Reports on present status of public water supplies and reasons for deficiencies are being received from prefectural public health officials. Several cities have reported a shortage of chlorine.

57. Chlorine production for water treatment in January was about the same as for the past two months. Additional quantities have been delivered this month to Yokosuka and Kawasaki for higher dosages in these cities. Increase in production of chlorine depends largely on availability of salt; 10,000 tons were imported in January of the 45,000 tons requisitioned. Allocation of coal to the chemical industry increased somewhat during the month.

58. The shortage of materials for the restoration and repair of sewage systems and sewage treatment plants is being relieved by local military government units working through the Ministry of Industry and Commerce.

Laboratory Service

59. Quotas have been established for production of smallpox vaccine, diphtheria toxoid and antitoxin, and triple typhoid vaccine as items of greatest immediate need. Calves, horses, bacteriological media and other supply items were earmarked and procured by Japanese officials on behalf of manufacturing laboratories.

60. The unreliability of certain biologicals on sale in the open market was brought to the attention of Japanese officials. Japanese law provides for standardization of diphtheria antitoxin only. The Japanese were directed to assay all other biologicals in the same manner as diphtheria antitoxin.

Penicillin

61. Control of the manufacture of penicillin is necessary to assure a dependable product of acceptable potency. The Japanese were directed to classify penicillin as a biological, thus bringing it under the same provisions. A committee for standardization of penicillin is being organized by the ministry in compliance with this directive.

Medical Examiner System

62. A review was made of progress by local metropolitan health officials in Tokyo in establishing a medical examiner system. The Metropolitan Office has found it necessary to employ lay social workers and medical students in certain instances. The perfected program will be a model for a nation-wide system of the same general type.

Nutrition Surveys

63. The Ministry of Welfare has forwarded the data collected during the nutrition survey conducted during December in Tokyo. Information reported included data on the food consumed by 30,000 persons representing all social levels, age groups and sections of metropolitan Tokyo.

During the three day period in December for which information was obtained, the food intake of this group averaged 1970 calories. Over 80 percent of the protein came from vegetable sources. Composition of the family diet is shown in Chart No. 26.

Almost half of the food consumed was obtained from black market or other irregular sources. See Chart No. 27.

64. The survey method employed in Tokyo is being repeated in Nagoya, Osaka, Kure and Fukuoka and in comparable portions of their adjacent rural areas to obtain information of the food consumption of the entire country.

65. On 25 January the Metropolitan Bureau of Health began a nutrition survey of municipal hospitals in Tokyo. Twenty general hospitals, five psychopathic hospitals and five tuberculosis hospitals are being analyzed.

Venereal Disease Control

66. Reporting of venereal diseases by prefectural health officers to the Ministry of Health and Welfare has steadily improved. All but eight prefectures are now reporting.

67. The results of a comparative survey of seriological methods for diagnosing syphilis were received. Policies were approved for use in connection with the civilian venereal disease control program.

68. In the first eight weeks of operation of the pilot examination-treatment project at Yoshiwara Hospital in Tokyo 118 gonorrhea infections developed among 88 of approximately 180 individuals subjected to weekly examination and modern treatment. No new case of syphilis developed in this group during the period.

Port Quarantine Service

69. Repatriation centers processed 77,995 outgoing and 184,707 incoming repatriates during the month. The port of Hakata has been the most active center.

SECTION 2

EDUCATION, RELIGION AND MEDIA OF EXPRESSION

C O N T E N T S

	Paragraph
Education	1
Religion	15
Arts and Monuments	18
Information Programs and Organizations	23
Media of Expression	37

EDUCATION

Japanese Educators

1. Mr. Y. Abe, Director of the First Higher School in Tokyo, was appointed Minister of Education. Mr. K. Yamazaki was appointed to the Vice-Minister's post. These are the first appointments of professional educators to these positions in Japanese history.

2. The Ministry of Education in response to a memorandum from SCAP nominated a committee of Japanese educators to work with an educational mission from the United States.

3. The Ministry of Education broadened its program for re-orientation of students and teachers. Daily broadcasts to teachers and children explained the meaning and practices of democracy.

Teacher's Organizations

4. Two new teacher's organizations have been formed. They state that their purposes include improvement of economic conditions of teachers and encouragement of academic freedom.

The Japan Educators' Association admits persons who are not engaged in the teaching profession. While it calls itself a union, it does not consider itself a part of the labor movement.

The Japan Teachers' Union led by Mr. Goro is a trade union of teachers.

Textbook Screening

5. On 17 January the Japanese Government was directed to submit English translations of all textbooks, teaching manuals and instructional materials for review and approval before printing in the Japanese language. Two hundred fifty of the 423 textbooks used from elementary to normal school levels have been censored and sent to publishers.

Deletions have been marked in a page-by-page survey of 155

national textbooks. Sixty-five have been released to the Ministry of Education for printing.

6. Ninety-five vocational textbooks have been surveyed. Seventy-eight have been approved by this Headquarters and released for publication.

Administrative Control of Education

7. The present control of Japanese education is shown in Chart No. 46. The Minister of Education is the administrative head of the Ministry and a member of the Cabinet. The Vice-Minister has administrative responsibilities on general Ministry affairs.

Under the Minister's Secretariat Bureau the Personnel Section is responsible for the appointment and dismissal of officials and public school staffs, employment of foreigners, pensions, prizes and awards, copies of the Imperial portraits and Imperial Rescript in schools, ceremonies held on national holidays and other occasions, and keeping the seals of the Minister, Vice-Minister and the Ministry.

The Documents Section is responsible for inspection, receipt, arrangement, preservation and dispatch of public documents and drafts; inspection of ordinances; inspection of administrative affairs; preparation of statistics and reports; publication in the Official Gazette; travel discount coupons for teachers and students; Journal of the Ministry; and matters not belonging to other Bureaus and Sections.

The Accounts Section is responsible for estimate and settlement of accounts and account-keeping of expenditures and revenues under the control of the Ministry; audit of accounts; state properties under control of the Ministry; maintenance of buildings, schools, libraries, museums and other facilities under control of the Ministry; direction, inspection and repair of public and private schools, libraries and museums; law suits in connection with affairs of this Section; and mutual benefit association of government officials in the Ministry.

The Materials Section has charge of mobilization, joint purchase and distribution of resources, and recovery of materials.

The General Planning Board is responsible for preparation of general educational plans and important policies, investigation of educational systems and affairs both in Japan and abroad, and promotion of international culture.

The Temporary Department of Educational Equipment is responsible for reconstruction and restoration of war-damaged educational equipment.

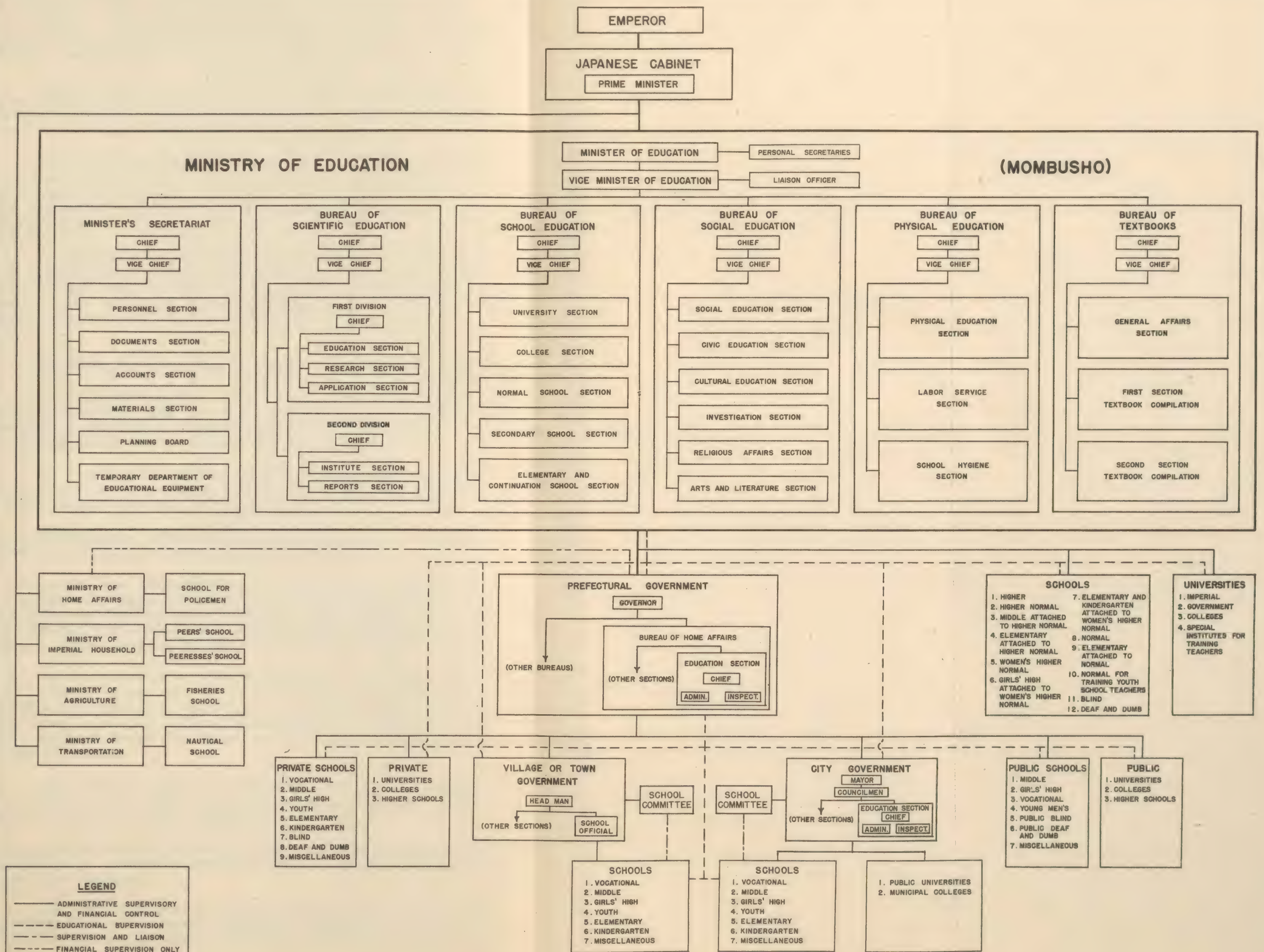
8. In the Bureau of School Education the University Section has charge of general affairs of the Bureau; universities and higher schools; Tokyo Meteorological Observatory, Institute for Research into Infectious Diseases, and other similar institutions attached to Imperial universities; examination and certification of higher school teachers; foreign students; research workers sent abroad; and doctorates.

The College Section supervises colleges and miscellaneous schools of college level, technical arts training schools and graduation requirements for higher grade schools.

The Normal School Section is responsible for all types of Normal Schools and special teacher training schools; Tokyo Agricultural Education Colleges; Tokyo Physical Education College;

ORGANIZATION OF EDUCATION

JAPAN - 15 JANUARY 1946



examination and certification of secondary school teachers; re-education of secondary and elementary school teachers; salaries and rankings of kindergarten, elementary, secondary, continuation, blind and deaf-mute school teachers and officials; payment from the national treasury of compulsory education expenses, subsidies for continuation school expenses, and additional grants to public school teachers; mutual benefit associations for teachers and officials; Education Research Institute; Japan Education Association; and pension incorporation of private secondary schools.

The Secondary School Section supervises secondary schools and other schools of the same level, college entrance requirements, graduation requirements of industrial schools, education of talented students and subsidies for industrial schools.

The Elementary and Continuation School Section has charge of elementary, continuation, kindergarten, blind, and deaf-mute schools; miscellaneous schools of this level and other schools for special education; subsidies for deaf-mute schools; culture of the younger generation; and school broadcasting.

9. In the Bureau of Social Education the Social Education Section is responsible for promotion of national morality, elevation of national culture, and diffusion and encouragement of culture by publication; home and women's education; adult and worker education; juvenile, enlightenment, and female associations; and juridical persons.

The Civic Education Section handles civic education matters.

The Cultural Education Section supervises the preservation of national treasures, important works of fine arts, historic sites, scenic places, and natural history preserves; and direction of libraries and museums and of culture associations.

The Investigation Section is in charge of investigations in connection with civil education and the collection and publication of historical materials of the Meiji restoration.

The Religious Affairs Section is responsible for security of freedom of religion and other religious affairs.

The Arts and Literature Section supervises the encouragement and investigation of literature, music, fine arts, moving picture films and film education; plays and other amusements for the people; Imperial Fine Arts Academy and Fine Arts Research Institute; newspapers, publication and broadcasting; and art associations.

10. In the Bureau of Scientific Education the Education Section is in charge of general affairs of the Bureau, direction and encouragement of scientific education, promotion of originality in science among the people, official commendations in connection with science, the Tokyo Scientific Museum and other facilities for the diffusion of science.

The Research Section is responsible for promotion, expense and personnel for scientific research; Imperial Academy; Board of Scholastic Research; and other scholastic associations.

The Application Section supervises testing and application of the results of scientific research, and investigation of materials to be used for research.

The Institute Section is in control of aid to research organizations; Geodesy Committee; Institute for Latitude Observation; Electric Wave Physics Institute; and other scientific institutions.

The Reports Section is responsible for investigation and collection of information in connection with science; schemes for scientific investigations; translation and reprinting of scientific literature; collection, compilation and distribution of materials and literature in connection with science; and standardization of scientific terms.

11. In the Bureau of Physical Education the Physical Education Section is in charge of physical training of students, teachers and coaches; direction and management of meetings of teachers and students for exercise and sports; direction and aid of Japan Students' Physical Training Promotion Association; and other physical training associations for students and teachers.

The Labor Service Section supervises general affairs of the Bureau; labor service of students; training of leaders in labor service; and support and protection of students in labor service.

The School Hygiene Section is in charge of school hygiene teaching and equipment; health preservation and hygiene in schools; physical examinations; meals in schools and other facilities for preservation and protection of health; teachers and nurses for children's health; school doctors and dentists; and health resorts for teachers.

12. In the Bureau of Textbooks the General Affairs Section is responsible for general affairs of the Bureau; publication and supply of textbooks; investigation, approval and sanction of textbooks for elementary, youth, secondary and higher grade schools; inspection of reference books for teachers; and the Textbook Committee.

The First Section of Textbook Compilation supervises the compilation of textbooks for national, elementary, continuation, secondary, blind and deaf-mute schools.

The Second Section of Textbook Compilation is responsible for investigation and sanction of textbooks for normal schools and normal schools for youth school teachers; investigation, adjustment, and standardization of the Japanese language; and the Japanese Language Council.

School Statistics

13. The Ministry of Education has forwarded data for the school year ending 31 March 1945. The number of schools and the numbers of male and female teachers and pupils are shown on Chart No. 47.

SCHOOL STATISTICS

JAPAN 1 APRIL 1944 - 31 MARCH 1945

	Number of Schools			Number of Teachers			Number of Students		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Universities									
Imperial	7	--	7	2,477	--	2,477	24,579	40	24,619
Government	12	--	12	753	--	753	6,070	50	6,120
Public	2	--	2	97	--	97	1,009	--	1,009
Private	28	--	28	1,755	1	1,756	32,594	136	32,730
Higher Schools									
Government	26	--	26	1,137	--	1,137	22,610	--	22,610
Public	3	--	3	136	--	136	2,077	--	2,077
Private	4	--	4	224	--	224	3,106	--	3,106
University Preparatory Courses									
Government	4	--	4	116	--	116	2,377	--	2,377
Public	2	--	2	43	--	43	668	--	668
Private	28	--	28	854	--	854	22,428	--	22,428
Colleges									
Government	94	--	94	3,863	52	3,915	61,745	1,148	62,893
Public	32	12	44	850	88	938	7,876	3,472	11,348
Private	101	51	152	5,678	733	6,411	92,627	30,149	122,776
Higher Normal Schools	3	2	5	283	45	328	2,822	1,251	4,073
Normal Schools and Institutes	129	2	131	3,931	540	4,471	52,526	20,481	73,007
Secondary Schools									
Middle Schools	807	--	807	20,871	5	20,876	622,733	--	622,733
Girls' High Schools	--	1,263	1,263	14,057	12,529	26,586	--	800,531	800,531
Vocational Schools			1,996	25,748	3,001	28,749	614,951	205,767	820,718
Others			109	1,038	464	1,502	15,021	17,224	32,245
Youth Schools			15,583 a/	80,534	20,339	100,873	1,818,463	797,536	2,615,999
Elementary Schools			26,340 a/	146,479	157,587	304,066	6,587,514	6,326,759	12,914,273
Total			46,640	310,924	195,384	506,308	9,993,796	8,204,544	18,198,340

a/ Includes Branch Schools.

SOURCE: Ministry of Education.

14. The ministry reports that teacher training institutions now in operation are:

TEACHER TRAINING INSTITUTIONS IN JAPAN

<u>Type of Institution</u>	<u>Number</u>	<u>Teachers</u>	<u>Students</u>
Normal	55	5,216	56,515
Higher Normal	4	367	2,931
Women's Higher Normal	3	270	1,109
Youth School Teachers Normal	46	720	8,634
Teacher Training Institutes			
Temporary	15	910	1,856
Vocational Teachers	15	762	1,468
Higher Technical Teachers	1	6	45
Higher Training Schools for Teachers			
of Agriculture	1	21	315
Higher Physical Training School	1	27	369
Academy of Fine Arts	1	51	64
Academy of Music	<u>1</u>	<u>27</u>	<u>185</u>
Total	143	8,377	73,491

RELIGION

15. The Japanese Government, complying with the directive of 15 December, has revised the Imperial House Ordinance relating to festivals. The revision revokes compulsory attendance of government officials at shrine ceremonies in the Imperial Court. Eleven Imperial Ordinances and 11 Home Ministry Ordinances relating to Shinto functions, rituals and prayers were abrogated by ordinances.

16. The Religious Corporations Ordinances which replaced the old Religious Bodies Law provided a new basis for incorporating religious groups without submitting to restrictions on their freedom. Liaison with religious organizations has been established to insure understanding and cooperation with religious objectives of the occupation. Churches and sects are developing broadened activities.

Shrine Association

17. Formation of a Shrine Association was started at a constituent assembly of representatives of three major Shinto organizations. The association will extend financial support to historically important but indigent shrines, encourage festivals and ceremonies of a local nature, and assist local shrines in eliminating and preventing the rise of superstitious and ultra-nationalistic practices.

ARTS AND MONUMENTS

18. Included in the list of cultural sites reported by the Japanese Government are 561 religious and 150 secular structures. Fifty-eight parks, 57 collections of art objects and 36 archives or libraries are also listed.

Museum collections which had been dispersed as a wartime precaution have been maintained by agencies of the government in temporary emergency repositories. Structures and grounds such as palaces, temples and shrines continue to be maintained by agencies of the Japanese Government.

19. Measures to avoid damage by Occupation Forces have been continued. A survey of damage risks and protective measures is in progress.

20. War damage to 117 cultural sites is reported by the Japanese Government to be: 98 sites, 50 to 90 percent damaged; 11 sites, 10 to 50 percent; 8 sites less than 10 percent damaged.

21. The Ministry of Education submitted a list of historic swords to SCAP. Approximately 1,400 items listed are owned by 76 temples, shrines or similar bodies and 293 by private collectors.

22. The Imperial Household collection of cultural objects contains 57,758 objects originating in Japan, 3,393 in Korea, 10,579 in China and 8,582 in Siam, Indo-China and other countries. These figures do not include the collections in Nara.

INFORMATION PROGRAMS AND ORGANIZATIONS

	Paragraph
Political Education	23
Stimulation of Economic Reform	27
Women's Organizations	28
Youth's Organizations	35

Political Education

23. The radio version of the True History of the War in the Pacific was broadcast in weekly installments by the Japanese radio. Each program was presented four times for different audiences. A program based upon listeners' questions about its content has been broadcast.

24. The Stage and Screen Elections Committee presented radio programs designed to educate the people concerning the importance of the election.

25. The first edition of a Japanese pictorial magazine called "Foto Facts" has appeared. It featured pictures of Japanese atrocities and American treatment of Japanese prisoners of war. A special issue was devoted exclusively to a pictorial presentation of the True History of the War in the Pacific.

26. Special press conferences for editors of Japanese newspapers were held by SCAP on war criminal trials, foreign news and the Moscow Conference. Special programs using all media of news dissemination informed the people about the SCAP directive which set forth criteria for eligibility to hold public office.

Stimulation of Economic Reform

27. Black market activities, the government's plan for forced collection of staple foods, labor mediation boards, specific strikes and labor's proposed solution of the coal production problem were discussed in radio programs and in the press. Agrarian reform was discussed at a radio round table. One radio program was devoted to the subject of Cooperative Guilds. In a radio forum labor leaders questioned the head of the government labor bureau on the provisions of the Trade Union Bill.

Women's Organizations

28. A committee of prominent Japanese women presented a statement to SCAP in support of the directive which banned secret and ultra-nationalistic societies.

29. In a radio broadcast, the Home Minister and Mrs. Kanju Kato, prominent women's leader, discussed women's problems. Newspaper editorials on the subject appeared.

Mrs. Kimiko Ito, head of the women's section of the Transportation Worker's Union, spoke to working women on the importance of women's suffrage.

30. Fifty managing editors and political writers attended a SCAP press conference on the women's movement. As a result of the conference increased attention has been given to the importance of voting and to the fact that the suffrage movement in Japan is part of a world movement. The need for getting men and women to work together to solve common problems in a New Japan has been stressed.

31. A new Democratic Women's Club has been organized. Through contacts with outstanding women in every prefecture it plans to spread information about the women's movement.

32. The Progressive Party invited 100 leading women to join the party; a few accepted the invitation. Three hundred women attended the first Progressive Party rally. "Women's Place in Political Parties" was discussed in a radio forum by members of the Progressive and Socialist Parties.

33. The platform of the Communist Party specifically asks for abolition of articles in the Civil Code which deny legal safeguards and property rights for the Japanese wife. Revision is urged of unequal divorce regulations, unjust limitations of mother's parental rights and unjust regulations concerning inheritance of property. All women party leaders agree on the need for revision of the Civil Code.

34. A summary of world news of particular interest to women has been broadcast regularly.

Youth Organizations

35. Four youth groups have been organized by students in colleges and universities. These include the Research Group for Social Science at Tokyo Imperial University, the Research Group for America, the Cultural Congress and the Youth Communist League. Their purpose is to keep students fully informed on social developments. The Youth Communist League is the only one which is active in political matters.

A panel discussion on the meaning of democracy was broadcast by representatives of the Democratic Youth Congress. Alumni of various colleges and universities broadcast forums on the problems of democratization of higher educational institutions.

The Japan Student's Cultural League and the Student League for Assisting Parent Abroad held a meeting sponsored by the "Mainichi Shimbun". The principal topics discussed were the Emperor system and women's vote in the coming elections.

36. The Youth Liberalist Party sponsored a general meeting of members of 11 groups and organizations for the purpose of forming a youth federation. A committee was named to plan a Japan Youth Conference. Representatives of five youth parties and seven youth organizations attended a second meeting.

Representatives of four youth groups attended a mass meeting of the Democratic Youth Congress. They discussed membership drives, methods of combating pseudo-democracy in Japanese societies and measures to reduce unemployment among youth.

MEDIA OF EXPRESSION

	Paragraph
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37. Activities of the Broadcasting Corporation of Japan included the addition of new programs, revision of the broadcast schedule and the formation of an advisory committee of prominent Japanese to assist in reshaping the organization and policy of radio broadcasting in Japan.

Programs

38. Discussions and commentaries on present day political, social and economic problems were encouraged. Regular features considered political affairs, black markets, agriculture, labor and problems of education.

39. Three hundred questions a day were received from listeners to the True History of the War in the Pacific broadcasts. Answers to these questions were given on a special program conducted by the Japanese.

40. On 21 January the first of a new tri-weekly program titled "Citizens of Tomorrow" was broadcast over BCJ. Its purpose is to make the youth of Japan aware of their responsibilities in the New Japan. Forums, speeches and dramatizations were used.

41. A program of children's songs has been broadcast every morning. A narrator told brief stories as she introduced children's songs of all nations. Children's choruses from religious, educational and cultural institutions participated in the program.

Broadcast Schedule

42. The schedule of the Broadcasting Company of Japan has been revised. One hour, half-hour and quarter-hour programs have been arranged. They are organized so that listeners get a balanced program of information, education and entertainment throughout the day. The broadcast schedule for one week and the percentage of the weekly program devoted to the different types of programs are shown in Charts No. 48 and 49.

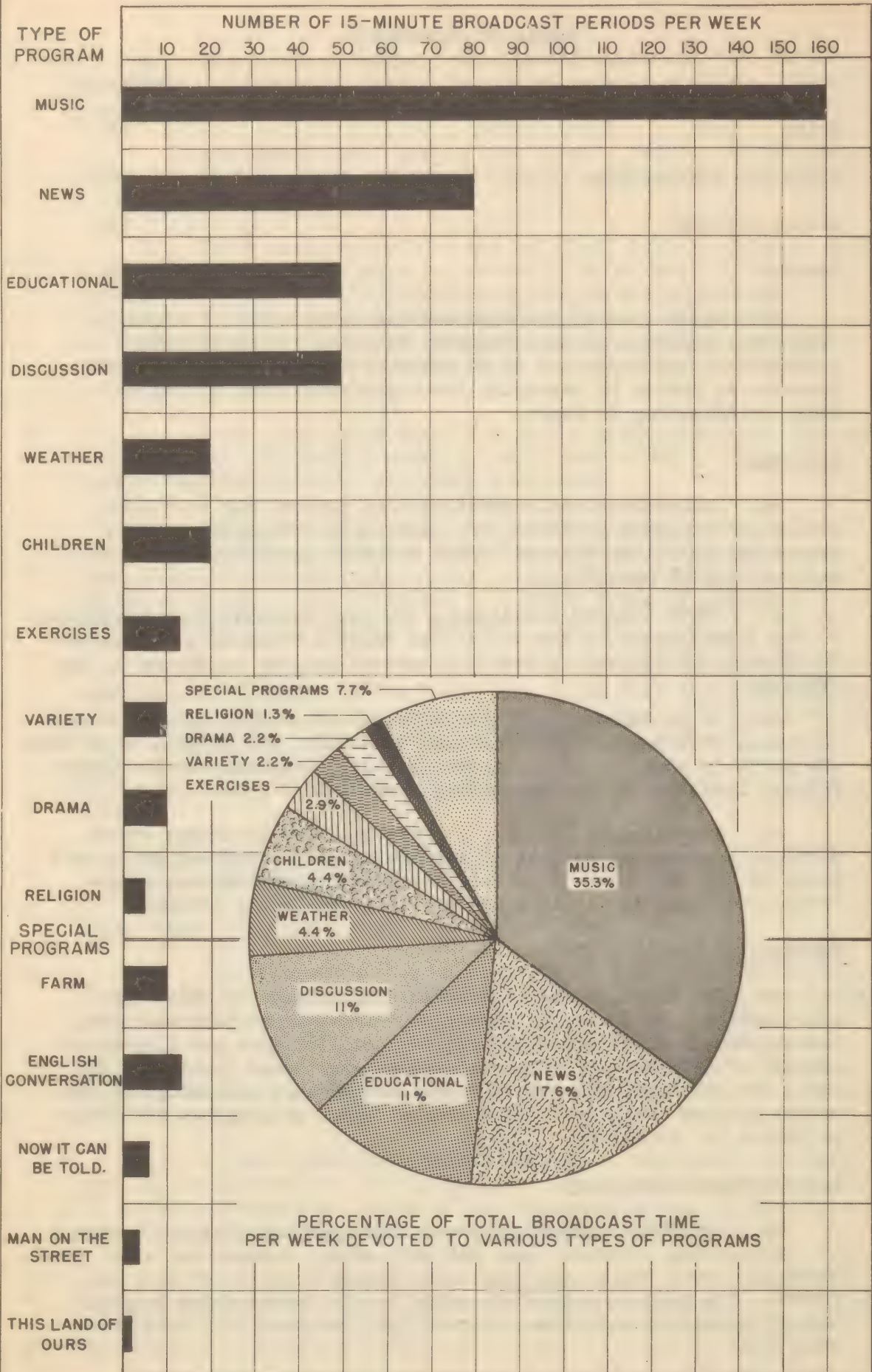
Radio Advisory Committee

43. Japanese representatives of business, agriculture, science and engineering, finance, news and publishing, theater and arts, professions, labor, women and youth have formed a radio advisory committee. Its purpose and relationship to the Broadcasting Corporation of Japan are considered in Part III, Section 7, of this summation.

PRESS AND PUBLICATIONS

Newspapers

44. Four hundred thirty-eight newspapers are now being published in Japan. This includes 99 daily papers and 339 others which are published at intervals ranging from every other day to four times a year.



SOURCE: BROADCASTING SCHEDULE OF THE JAPANESE BROADCASTING CORPORATION, NUMBER ONE TRANSMISSION, JANUARY 1946.

JAPANESE RADIO BROADCASTS

TYPES & NUMBER OF PROGRAMS

WEEKLY BROADCAST SCHEDULE

JAPANESE BROADCASTING CORPORATION

NO. 1 TRANSMISSION*

TIME	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
(6:00-6:15)	News	Same	Same	Same	Same	Same	Same
(6:15-6:30)	Waltz Time	Farm Program	Same	Same	Same	Same	Same
(6:30-6:45)		English Conversation (Language Course)	Same	Same	Same	Same	Same
(6:45-7:00)	Gymnastics (Music)	Same	Same	Same	Same	Same	Same
(7:00-7:15)	News (10 min. from Radio Tokyo - 5 min. locally)			Same	Same	Same	Same
(7:15-7:30)	Light Music	Same	Same	Same	Same	Same	Same
(7:30-7:45)	Letters from Listeners	Same	Same	Same	Same	Same	Same
(7:45-8:00)	Selected Speakers	Same	Same	Same	Same	Same	Same
(8:00-8:15)	Shinto Program	Popular Music	Same	Same	Same	Same	Same
(8:15-8:30)		Household Hints	Same	Same	Same	Same	Same
(8:30-8:45)	Japanese Music Classics	Same	Same	Same	Same	Same	Same
(8:45-9:00)							
(9:00-9:15)	Complete Weather Forecast and Music Fill	Same	Same	Same	Same	Same	Same
(9:15-9:30)	Popular Music	Same	Same	Same	Same	Same	Same
(9:30-9:45)	Music (Locally)	Intermission on Network	Same	Same	Same	Same	Same
(9:45-10:00)	Light Music Classics	Same	Same	Same	Same	Same	Same
(10:00-10:15)	Buddhist Program	Infants Hour	Same	Same	Same	Same	Same
(10:15-10:30)		Children's Songs	Same	Same	Same	Same	Same
(10:30-10:45)	This is Our Land	Your Health	Book Review	Your Health	Book Review	Your Health	Book Review
(10:45-11:00)		Light Music	Same	Same	Same	Same	Same
(11:00-11:15)	Christian Program	Current Events	School Hour	Same	Now It Can Be Told	School Hour	Same
(11:15-11:30)							
(11:30-11:45)	Music (Locally)	Intermission on Network	Same	Same	Same	Same	Same
(11:45-12:00)	Gymnastics (Music)	Same	Same	Same	Same	Same	Same
(12:00-12:15)	News (10 min. from Radio Tokyo - 5 min. locally)			Same	Same	Same	Same
(12:15-12:30)	Popular Music	Same	Same	Same	Same	Same	Same
(12:30-12:45)	Organ Music	Now It Can Be Told	Organ Music	Man on the Street a/	Organ Music	Man on the Street a/	Organ Music
(12:45-1:00)							
(1:00-1:15)	Period 1:00 to 3:00 is filled with special events - sports, drama, festivals	Woman's Hour	Same	Same	Same	Same	Same
(1:15-1:30)							
(1:30-1:40)		Light Music	Same	Same	Same	Same	Same
(1:40-1:50)		Letters from Listeners	Same	Same	Same	Same	Same
(1:50-2:00)		Light Music	Same	Same	Same	Same	Same
(2:00-2:15)		Poets & Novelists	A Lady Travels	Poets & Novelists	A Lady Travels	Poets & Novelists	A Lady Travels
(2:15-2:30)		Ensemble Music	Same	Same	Same	Same	Same
(2:30-2:45)		Music (Locally)	Intermission on Network	Same	Same	Same	Same
(2:45-3:00)							
(3:00-3:15)	News (10 min. from Radio Tokyo - 5 min. locally)			Same	Same	Same	Same
(3:15-3:30)	Popular Music	Same	Same	Same	Same	Same	Same
(3:30-3:45)	Modern Drama	Teacher's Hour	Repeat Performance Music	Teacher's Hour	Drama Comedy	Teacher's Hour	Repeat Performance Speech
(3:45-4:00)							
(4:00-4:15)	Melodies from Musical Comedies	Patient's Hour	Same	Same	Same	Same	Same
(4:15-4:30)	Intermission	Same	Same	Same	Same	Same	Same
(4:30-4:45)							
(4:45-5:00)							
(5:00-5:15)	News (National)	Same	Same	Same	Same	Same	Same
(5:15-5:30)	News (Local)	Same	Same	Same	Same	Same	Same
(5:30-5:45)	Children's Hour	Same	Same	Now It Can Be Told	Children's Hour	Same	Same
(5:45-6:00)							
(6:00-6:15)	Music	Same	Same	Same	Same	Same	Same
(6:15-6:30)							
(6:30-6:45)	English Conversation		Same	Same	Same	Same	Same
(6:45-7:00)	Music, Weather and Program Announcements	Same	Same	Same	Same	Same	Same
(7:00-7:20)	News	Same	Same	Same	Same	Same	Same
(7:20-7:30)	Editorial	Trial Reports	Same	Same	Same	Same	Same
(7:30-7:45)	Story Teller (Musical)	Musical Show	Request Show	Americana	Request Show	Time to Laugh	The Classics Hour
(7:45-8:00)							
(8:00-8:15)	History of the War	Farmer's Hour	Politics	Round Table of the Air	Women in Politics	Politics	Round Table of the Air
(8:15-8:30)							
(8:30-8:45)	Movie Star & Band		Old Classical Music	Drama	Music of All Nations	Nippon Symphony Hour	Dancing Around The World
(8:45-9:00)							
(9:00-9:15)	Political Hour	Same	Same	Same	Same	Same	Same
(9:15-9:30)	Editors (Japanese)	Editors (CIE)	Editors (JOAK)	Editors (Japanese)	Editors (CIE)	Editors (Japanese)	Editors (JOAK)
(9:30-9:45)	News	Same	Same	Same	Same	Same	Same
(9:45-10:00)	Music	Same	Same	Same	Same	Same	Same
(10:00-10:15)	Weather and Fishing Forecast	Same	Same	Same	Same	Same	Same
(10:15-10:30)	Slumber Music	Same	Same	Same	Same	Same	Same

NO. 2 TRANSMISSION**

(5:00-5:15)	Student's Hour	Same	Same	Same	Same	Same	Same
(5:15-5:30)							
(5:30-5:45)	Music	Same	Same	Same	Same	Same	Same
(5:45-6:00)							
(6:00-6:15)	News	Same	Same	Same	Same	Same	Same
(6:15-6:30)	Commentators	Same	Same	Same	Same	Same	Same
(6:30-6:45)	Culture Hour	Woman's Hour	Same	Same	Same	Same	Same
(6:45-7:00)							
(7:00-7:15)	Symphony Orchestra	Drama	Concert	Kodan & Naniwabushi Rakuko	Story Telling	Japanese Classical Music	Drama
(7:15-7:30)							
(7:30-7:45)							
(7:45-8:00)							
(8:00-8:15)	History of the War	Hollywood on Parade	Politics	Round Table of the Air	Women in Politics	Politics	Round Table of the Air
(8:15-8:30)							
(8:30-8:45)	Japanese Classical Music	Rode Hu	Light Music	Dance Band	Comic Hour	Light Music	Vocal Hour
(8:45-9:00)							
(9:00-9:15)	Political Hour	Same	Same	Same	Same	Same	Same
(9:15-9:30)							
(9:30-9:45)	Music	Same	Same	Same	Same	Same	Same
(9:45-10:00)							
(10:00-10:15)	News	Same	Same	Same	Same	Same	Same
(10:15-10:30)	Music	Same	Same	Same	Same	Same	Same

* The No. 1 Transmission offers blanket coverage of all Japan.
 ** The No. 2 Transmission is programmed specifically for the seven major metropolitan areas.

a/ Music Fill.

SOURCE: Japanese Broadcasting Corporation.

Circulation of 55 of the more important daily newspapers totals 13,898,505. Tokyo dailies account for 9,000,000 of this circulation.

Newspaper employees total 23,221. The Tokyo papers employ 5,156 workers. There is a total of 150 rotary presses, 15 linotypes and one monotype in Japanese newspaper plants.

New Newspapers

45. Five newspapers have begun publication. "Jiji Shimpō" is a daily paper concerning international affairs. "Ishikawa Shimbun", published in Kanazawa, Hokkaido, claimed a circulation of 30,000. "Jifu Shimbun" is a weekly. The "New Evening Newspaper", published in Tokyo, states that its circulation is 80,000. "Shinshu Jiho", a daily with 5,000 circulation, began publication in Nagano Prefecture.

The Nippon News Service began operation as a news agency on 8 January.

Japanese Press League

46. Sixty of the chief newspapers with approximately 90 percent of the total circulation of the Japanese press form the Japanese Press League. It is an organization of one newspaper in each prefecture except Tokyo and Osaka which was drawn up by the government during the war to conserve paper and facilitate control. Its chief function is distribution since all members of the league distribute their papers under its auspices. The names and geographic distribution of members of the league are shown on Map No. 50.

Press Analysis

47. Democratic trends of newspapers have been indicated by appearance of letters to the editor, columns on information for citizens of a democratic state and the place of women in political affairs. Editorial discussion of the Tenno system, constitutional reform, formation of a People's Front to secure a democratic state and the United Nations Organization has appeared.

48. Japanese newspapers reported the Imperial Rescript of 1 January. All papers favored the rescript. Some were cautious in their treatment but others considered it as a sign of leadership.

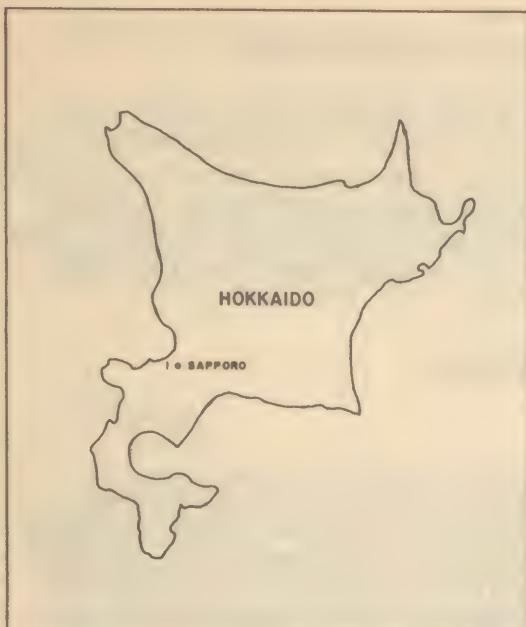
49. The directives of 4 January purging supporters of militarism were given exceptionally widespread coverage. The immediate reaction was enthusiastic and discussion was continued through news releases, columns and editorial opinion. The reorganization of the Shidehara cabinet was widely discussed.

50. The government's program of food purchase was discussed in most editorials, columns and in stories on political, social and economic conditions.

Magazine Analysis

51. The topic of major interest in Japanese magazines was the problem of the food shortage.

Two viewpoints appear in discussions of democracy. One group of writers for magazines desires to democratize Japan quickly. The other indicates a belief that a Japanese style of democracy should be developed slowly.



NOTE: PREFECTURE NAMES OMITTED WHERE IDENTICAL WITH NAME OF LEADING TOWN (EXCEPT HIROSHIMA AND FUKUOKA). WHEN SHOWN, PREFECTURE NAMES ARE UNDERLINED.

- | | | |
|----------------------------------|----------------------------------|---------------------------------|
| 1. HOKKAIDO SHIMBUN | 21. YOMIURI SHIMBUN | 41. KOBE SHIMBUN |
| 2. TOO NIPPO | 22. KANAGAWA SHIMBUN | 42. NIKONKAI SHIMBUN |
| 3. AKITA SAKIGAKE SHIMPO | 23. NIIGATA NIPPO | 43. SHIMANE SHIMBUN |
| 4. SHINIWATE SHA | 24. SHINANO MAINICHI SHIMBUN | 44. GODO SHIMBUN |
| 5. YAMAGATA SHIMBUN | 25. YAMANASHI NICHINICHI SHIMBUN | 45. CHUGOKU SHIMBUN |
| 6. KAHOKU SHIMPO | 26. SHIZUOKA SHIMBUN | 46. KURE SHIMBUN |
| 7. FUKUSHIMA MINPO | 27. KITANINON SHIMBUN | 47. BOCHO SHIMBUN |
| 8. SHIMOTSUKI SHIMBUN | 28. HOKKOKU SHIMBUN | 48. KAGAWA NICHINICHI SHIMBUN |
| 9. JOMO SHIMBUN | 29. FUKUI SHIMBUN | 49. TOKUSHIMA SHIMBUN |
| 10. IBARAKI SHIMBUN | 30. GIPU GODO SHIMBUN | 50. EHIME SHIMBUN |
| 11. SAITAMA SHIMBUN | 31. CHUGU NIKON SHIMBUN | 51. KOCHI SHIMBUN |
| 12. CHIBA SHIMBUN | 32. SHIGA SHIMBUN | 52. MAINICHI SHIMBUN (SEIBO) |
| 13. ASAHI SHIMBUN (TOKYO) | 33. ISE SHIMBUN | 53. ASAHI SHIMBUN (SEIBO) |
| 14. KYOTO TSUSHIN | 34. KYOTO SHIMBUN | 54. NISHININON SHIMBUN |
| 15. JIJI SHIMPO | 35. NARA NICHINICHI SHIMBUN | 55. SAGA SHIMBUN |
| 16. MAINICHI SHIMBUN (TOKYO) | 36. WAKAYAMA SHIMBUN | 56. NAGASAKI SHIMBUN |
| 17. MINPO | 37. ASAHI SHIMBUN (OSAKA) | 57. OITA GODO SHIMBUN |
| 18. NIPPON SANGYO KEIZAI SHIMBUN | 38. MAINICHI SHIMBUN | 58. KUMAMOTO NICHINICHI SHIMBUN |
| 19. NIPPON TIMES | 39. OSAKA SHIMBUN | 59. HYUGA NICHINICHI SHIMBUN |
| 20. TOKYO SHIMBUN | 40. SANGYO KEIZAI SHIMBUN | 60. KAGOSHIMA NIPPO |

SOURCE: JAPANESE PRESS LEAGUE

DAILY NEWSPAPERS JAPANESE PRESS LEAGUE MEMBERS JANUARY 1946

Conference with Provincial Newspaper Representatives

52. Japanese editors requested information concerning the operation of the press in a democratic state. At a conference with representatives of 14 provincial papers the operations of newspapers in a democracy were explained. The representatives were informed that no discrimination would be permitted in handling of news; that provincial papers would be treated on the same basis as the large metropolitan journals.

MOTION PICTURES

Production

53. Ten motion picture producing companies are operating. Three of these are large concerns and seven produce short subjects. Approximately six feature length pictures, four newsreels and five short subjects are produced each month. Production of commercial films from the beginning of the occupation to 15 January for the six companies which have completed films was:

MOTION PICTURE PRODUCTION IN JAPAN (September 1945 to January 1946)

	<u>Producer</u>						
						<u>Nippon</u>	
	<u>Shochiku</u>	<u>Toho</u>	<u>Daiei</u>	<u>Asahi</u>	<u>Rikken</u>	<u>Newsreel</u>	<u>Total</u>
<u>Feature</u>							
Scenarios checked	32	23	13	1	--	--	69
Released	6	2	3	--	--	--	11
Reissues released	3	3	3	--	--	--	9
<u>Documentary</u>							
Scenarios checked	--	--	--	5	4	1	10
Released	--	--	--	2	2	--	4
<u>Newsreel</u>							
Released	--	--	--	--	--	10	10
<u>Educational</u>							
Checked	--	--	--	--	7	--	7

54. The problems of reconstruction, appraisals of democratic incidents in Japanese history and equality of women have been treated in motion pictures. Dramatic features, musicals and comedies were produced.

One feature, "Meiji Brothers", was rated as the finest moving picture produced since the beginning of the occupation. A comedy, "Five Guys from Tokyo", featuring five leading comedians broke all opening day attendance records when it opened in Tokyo.

Educational Films

55. Nineteen educational films were in production. They present fables, news, biography, science and economic subjects. All school films must be approved by SCAP.

The subject matter for all films produced by the All Japan Society of Visual Education is derived by agreement from the requirements of the Ministry of Education.

Materials and Personnel

56. The motion picture industry produced sufficient film to fill its requirements. No color film was manufactured.

57. Control of the industry by government and police has been abolished and independent status is rapidly being reached. All employees have organized into a single union. The right of collective bargaining has been recognized by employers.

THEATER

Production

58. Ten comedies, six modern dramas, six classical dramas, one melodrama, eight historical plays, three musical reviews, one ballet and one opera were produced. Modern plays increasingly took the place of obsolete drama and one theater has been designated as an exclusive showplace for modern plays. Creative drama was presented and liberal leaders and producers appeared.

59. The major producing companies submitted statistics on their operations to SCAP. The figures appear in the following table.

STATUS AND OPERATIONS OF THEATER PRODUCTION COMPANIES

Company	Capital (¥)	Normal Annual Production	Acting Companies Under Contract	Theaters		
				Active	Destroyed	Under Repair
Shochiku	37,000,000	900	26	15	5	3
Toho	20,000,000	75	2	11	5	2
Yoshimoto	1,200,000	--	2	6	21	1
Itinerant Players	<u>3,000,000</u>	<u>---</u>	<u>29</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	61,200,000	975	59	32	31	6

Personnel

60. Employees of the major producing companies total 5,700. Shochiku Producing Company employs 2,600, Toho 1,600 and Yoshimoto 1,500 workers. A union of all Shochiku stage employees except those under contract was formed. The union made demands upon the company and a strike deadline was set. The dispute was submitted to the Labor Mediation Board of the Tokyo Metropolitan Government.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN AND KOREA

Number 4

January 1946

PART V

KOREA

T A B L E O F C O N T E N T S

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SECTION 1

POLITICAL ACTIVITIES IN KOREA

C O N T E N T S

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ADMINISTRATION

Military Government

1. United States Army Military Government in Korea (USAMGIK) was established on 4 January by General Orders No. 1, USAFIK. On 14 January the control of Military Government units passed from the tactical commanders to the control of USAMGIK.

2. General Orders No. 1 enlarges the position of Military Government in Korea but permits closer coordination. It establishes Korean Military Government on a territorial basis consonant with the political and administrative subdivisions of the occupied area. Providing shortened channels of communication between national and local governmental levels, it brings about more direct control over all phases of civil administration.

It relieves the tactical unit commanders of their previous responsibilities over non-military activities and places the administration of civil affairs exclusively in the hands of the Military Government officials.

3. Tactical commanders are charged with assisting Military Government units in carrying out the purposes of the occupation.

Provincial Affairs

4. The Provincial Affairs Section of the Secretariat, established by virtue of Ordinance No. 36, serves primarily as a coordinating channel for all matters of local government handled at the national level.

It will review provincial budgets, pass on the adequacy and advisability of provisional ordinances and is charged with the planning and supervision of local elections. This section had absorbed the duties, functions, records, property and civilian personnel of the Local Administration Sub-Section of the Planning Section.

POLITICAL ACTIVITIES

Coalition Efforts

5. Efforts toward party unification have continued. A political conference sponsored by Kim Koo and the "Provisional Government" met in Seoul 20-24 January. The list of groups and parties invited to send representatives was extensive. It included the members of the "Big Five": the Korean Democratic Party, the Nationalist Party, the New Korean Nationalist Party, the People's Party and the Communist Party. Representatives of the People's Party and the Communist Party did not attend the opening meetings. The results of the conference are not clear.

6. Another "Urgent National Conference" is scheduled for 1 February. Representatives from more than 61 parties and cultural organizations and five representatives from each province have been invited. The invitations again include both the Communist Party and the People's Party.

7. In lieu of participating in these conferences, the Communist Party, the People's Party and smaller associated groups have proceeded with plans toward the organization of a Democratic People's Front. There was no indication that the conservative parties which participated in the "Urgent Political Conference" in Seoul would join in this organization.

8. The desire of Koreans for some type of party coalition is apparent but a common basis for agreement between the various political groups has not been reached.

Reactions to the Moscow Agreement

9. The demonstrations against trusteeship, which began on 29 December 1945, continued throughout January 1946. Popular reaction took the form of personal violence, damage to property and the threat of a general strike. The demonstrators opposed trusteeship and demanded immediate independence.

10. A press statement attributed to Kim Koo, announced that all governmental employees, both civil service and police would take orders only from him. This presumed the prerogatives of government and made the situation more precarious.

11. Efforts to clarify matters were made by the Commanding General, United States Army Forces in Korea. He emphasized that trusteeship was not a certainty and that it might be unnecessary if better cooperation were obtained from the Koreans.

12. On the evening of 1 January Kim Koo, speaking through a representative, assured the people that trusteeship could be avoided and suggested that there be no active opposition unless and until it was imposed. He urged Military Government employees to go back to work and asked for the return of peace and order.

13. The Commanding General presented a further statement by radio. He congratulated the whole of Korea for successfully weathering a severe crisis in its national life; he recognized that the peaceful display of national feeling was a healthy sign of the political potentiality of the people and praised the conduct of the occupation troops.

The statement had a quieting effect and the extreme phase of the reaction subsided. Military Government employees returned to work and the situation gradually assumed its normal aspect. Throughout the crisis the Korean police remained at their posts.

14. The reaction of the parties of the Left indicates a shift in policy. These groups initially joined the parties of the Right in opposing trusteeship, but on 3 January the Communist Party and affiliated groups voiced support of the agreements announced in Moscow. They continued this position during the remainder of January.

15. Both the Commanding General, USAFIK, and the United States Military Governor in Korea have issued strongly worded warnings to Koreans that continued demonstrations can only create an unfavorable impression of Korean political capabilities in the eyes of the United Nations and that a repetition of disturbances of public peace and order may well postpone the ultimate attainment of Korean independence.

16. The division of opinion over the issue of trusteeship between the parties of the Right and those of the Left is obscure. A statement by Mr. Lyuh Woon Heung, leader of the People's Party which has on occasion acted in concert with the Communist Party, adds more confusion. He had previously expressed support of trusteeship but in a recent statement published in Korean newspapers he made a public apology for having misinterpreted what he called the desires of the people.

INTERZONE ACTIVITIES

17. Pursuant to the Moscow Agreements, representatives of the American and Russian Commands in Korea commenced a series of meetings in Seoul on 16 January. No official announcement concerning the results of the meetings has been made.

REPATRIATION

18. During January 66,765 Koreans were returned to Southern Korea and 11,345 Japanese were sent back to Japan. Koreans repatriated from other areas ^{numbered} 5,811. Five hundred and twenty-eight Chinese left Southern Korea for China.

Repatriation teams from Korea to Japan and China have been sent to assist in the orderly evacuation of Koreans to their own country. New allocations among Japanese ports for the handling of Japanese-Korean repatriation traffic will be as follows:

Senzaki	45%
Hakata	25%
Maizuru	15%
Hakodate	15%

19. Japanese nationals have been trying to return to Korea for business purposes. A directive dated 15 January informed the Japanese Government that Japanese nationals will be granted permission to enter Korea only when "this Headquarters has received from the United States Military Government in Korea a request for the entry of the particular persons".

LEGAL AND JUDICIAL AFFAIRS

20. A system of Special Judicial Officers was established by Ordinance No. 41 of 10 January. Judicial officials will be appointed by the Director of the Bureau of Justice upon recommendation of the chief judge of a district court and will have original jurisdiction in cases where the punishment imposed may not exceed 30 days imprisonment, or a fine of \$ 300 or both. The number of officers in each province may not exceed the number of district and branch judges of

the province.

Proceedings before such officers are summary in character and are designed to avoid delay in the trial of minor cases. Provisions are made for trial by a district or branch court upon the petition of any aggrieved party.

Bureau of Justice

21. On the national level Military Government officers act as observers and advisors to the Bureau of Justice. Greater responsibility has been given Korean officials and employees in discharging the functions of the Bureau.

On the lower levels of administration, liaison between the Bureau of Justice and local Military Government units is maintained by the assignment of officers to the various provinces.

Legislation

22. Legislative action not previously reported includes:

Ordinances

Ordinance No. 37: Dissolution of the Finance Control Corporation of Chosen, 12 January.

Ordinance No. 38:

- I. Name of Personnel Section Changed to Korean Civil Service Section, 20 December 1945.
- II. Name of Marune Truck Company Changed to Korean Truck Company, 3 December 1945.

Ordinance No. 39: Regulations of Foreign Trade, 12 January.

Ordinance No. 40: Sale of Property for Tax Delinquency, 10 January.

Ordinance No. 41: Special Judicial Officers, 10 January.

Ordinance No. 42: Transfer of Certain Functions, 14 January.

Ordinance No. 43: Dissolution of Chosen Stock Exchange, 16 January.

Ordinance No. 44: Patent Office Established and Purposes Thereof, 22 January.

Ordinance No. 45: National Rice Collection, 25 January.

General Notices

General Notice No. 6: Declaration of Emergency as Regards Rice, 28 December 1945.

General Notice No. 7: Claims for Return of Cultural Objects, 31 December 1945.

PUBLIC SAFETY

23. Police and fire department personnel of Kyunggi Province remained at their post during the political unrest which occurred in early January. This conduct marked a notable achievement in the building of morale and esprit de corps among the newly trained Korean personnel.

24. Seoul was the center of intense political activity and numerous appeals had been made to officers and employees of these two departments to strike in protest against the terms of the trusteeship.

Korean Constabulary

25. The police force is being augmented by the induction and training of a Korean constabulary. The recruitment of three troops in Seoul was nearly completed on 31 January. Orientation and indoctrination courses are being given to selected personnel who subsequently will undertake recruiting in the provinces.

The program included a school for the training of officer candidates. Clothing for the organization is being drawn from captured Japanese stores and food will be obtained through the New Korea Company.

Korean Coast Guard

26. The newly formed Korean Coast Guard was transferred from the control of the Bureau of Transportation to the Office of the Director of National Defense by Ordinance No. 42 on 18 January.

Korean Boy Scouts

27. The Korean Boy Scouts were disbanded. In various localities an organization of that name had engaged in terroristic activities. In Kyunggi Province the head of the Boy Scouts stated that of 50,000 members, only 15,000 are under the age of 18. He admitted that some of the membership had engaged in unlawful activities. It has been ordered that the organization vacate all of its buildings and that members over 18 years of age cease wearing the uniform.

28. Announcement was made that a reorganized Boy Scouts of Korea will be formed. Membership will be restricted to boys from the ages of 12 to 17. This new organization will parallel the International Boy Scouts by promoting the physical, moral and mental development of Korean youth.

CIVIL SERVICE

29. A new pay scale and compensation plan for all Korean Civil Service employees was set up to become effective on 1 February.

30. The 60 remaining Japanese now employed in the National Government will be released as soon as circumstances permit.

SECTION 2

ECONOMIC ACTIVITIES IN KOREA

C O N T E N T S

	Paragraph
Natural Resources.	1
Commerce and Manufacturing.	12
Mining and Industry	16
Communications.	22
Transportation.	25
Finance	29

NATURAL RESOURCES

Korean Agriculture Association

1. The formation of the Korean Agriculture Association was announced with its purpose to aid the Korean farmer toward increasing production and improving farming methods. This agency is under the direction of a Military Government officer and comprises sections dealing with General Affairs, Planning and Research, Agricultural Production, Cooperative Enterprise and Education and Training.

Rice

2. General Notice No. 6 declared rice a critical item. The price ceiling on rice effective 1 January had varying results. The commodity practically disappeared from the open market. In most of the provinces hoarding continues in spite of warnings of confiscation and heavy fines.

3. In an effort to avoid requisitioning rice, an "incentive goods program" was instituted. In addition to the specified regular price of 175 yen per bag, buyers for the Korean Commodity Company offered coupons which permitted the purchase of certain desirable consumer goods at reduced prices. To support this experiment the Materials Control Corporation froze all sales on items set aside for this program including certain types of cloth and kerosene. The plan was not successful.

4. On 13 January the Military Government issued a proclamation that hoarding had caused an emergency situation. The local authorities ordered citizens to report all rice which they had stored beyond their personal needs to military authority for sale. To date little progress has been made in getting the rice to the consumer. The Korean Commodity Company is to confiscate hoarded rice and redistribute it at ceiling prices. Lack of personnel hinders the execution of this plan.

Sericulture

5. On 21 and 22 January a meeting of the National Sericulture Congress was held at Seoul. It was attended by approximately 120 Korean silk producers from all parts of southern Korea. The permanent organization of the Korean Silk Controlling Company was completed and a five-year plan for the future of the sericulture in-

dustry in Korea was considered.

6. Initial examination of the silk worm eggs received during the month of December from Japan indicated that they suffered very little damage in transportation. Plans were completed for their allocation and distribution.

7. The Kunshi Silk Reeling Mill was reopened and is in operation. This company can also produce hempen cloth. Farmers are being urged to plant every available plot with hemp since the 1946 estimate of 259,000 Kan (1 Kan equals 8.27 pounds) will not be adequate. Hemp is second only to cotton as a clothing fabric.

Fisheries

8. The Korean Fisheries Development Company was reorganized and assigned the management and supervision of 85 concerns. Fishing equipment valued in excess of ¥ 3,000,000 was recovered and is being distributed through the fishing guilds. The Korean Laver Company controls the production and processing of laver, a seaweed product.

9. The Fishery Department required all fishermen, fish dealers and individuals involved in marketing marine products to register their plants and gear and to paint their license numbers on their crafts.

Forestry

10. Ordinance No. 33 placed under Military Government jurisdiction all forest lands and properties formerly controlled by the Japanese. National and provincial forestry sections are charged with the duty and responsibility of controlling these forest areas.

11. All national forests are being returned to the control of the Bureau of Agriculture and Commerce, Department of Forestry to insure more efficient administration. During the war all control of national forests was decentralized.

COMMERCE AND MANUFACTURING

12. Trading was brisk as more commodities appeared on the market. The most recent statistics indicate that present prices are very high compared to those demanded in October. The index is exceeded in almost all items by as much as 200 percent.

Foreign Trade Regulations

13. Ordinance No. 32, Regulation of Foreign Trade, 12 January completed the control of foreign trade. Any unauthorized transportation of goods across the boundaries of Southern Korea has been declared an offense punishable by military court. The conveyances employed are subject to seizure and the goods may be confiscated as contraband.

14. On 29 January, the Japanese Government was directed to stop illegal traffic between Korea and Japan. Significant amounts of commodities have been illegally transported from Korea to Japan.

Smelting Plants Remain Closed

15. Pig iron stocks now available are adequate for 1946. It is unnecessary to reopen any smelting plants in Southern Korea.

MINING AND INDUSTRY

Technical Education Supervisory Board

16. The Bureau of Mining and Industry has established the Technical Education Supervisory Board made up of members of the Bureau and leading citizens. Its purpose is to train technicians to supply industrial needs in factories and mines. Arrangements were made to send 10 students and 10 observers to the United States in February and March.

Coal Shortage

17. The coal situation is still critical. In no month since September has the requirement of 70,000 metric tons been met. During January only 20,423 metric tons were received at Fusan.

18. The Japanese Government which must furnish the coal was directed to take immediate steps to insure full compliance with the 25 September Directive.

Coke Shortage

19. In addition to the inadequacy of coal, the amount of coke available is insufficient to meet industrial requirements. Early in the month requests for coke submitted by 119 factories totalled 5,037 short tons. Inasmuch as no supply is available, the situation remains critical for at least 50 percent of these factories.

Electric Power

20. On 1 January the Korea Electric Power Company, the Seoul Electric Company and the South Korea Electric Company were placed under the Bureau of Mining and Industry to coordinate the distribution of electrical energy. Electric power rates were raised 150 percent.

21. At a meeting of provincial directors of mining and industry, attention was given the problem of the repair of facilities which had been neglected by the Japanese in recent years.

COMMUNICATIONS

Postal Service

22. The printing of the new 10 cheun commemorative postage stamp for the Korean Postal Service was completed. Stamps in other denominations are being printed in Tokyo.

Telegraphic Traffic

23. A survey revealed that 90 percent of the telegraphic messages transmitted through the Seoul Central Telegraphic Office are in Korean. It was announced that the Japanese language is to be eliminated from domestic telegraph traffic by 1 March.

Shipping

24. A navigation safety program was developed. A 360 ton light-house tender was placed in operation at the Port of Incheon and 12 additional ships were licensed to service navigational aids at other ports. During the week ending 5 January, 104 ship operating permits were issued.

TRANSPORTATION

Railroads

25. Arrangements are being effected to augment the amount of rolling stock in Korea by importations from Japan. Prior to the occupation this rolling stock was manufactured in Japan for the Korean railways.

Trucks

26. Uniform truck rates for all of Southern Korea were established. The rates are designed to encourage the most economical use of motor transport. The following priorities were established for the use of trucks: (1) relief food and medical supplies, (2) other food and medical supplies, (3) fuel, (4) clothing and (5) agricultural and industrial materials.

Road Repairs

27. During January ¥ 1,205,000 were made available to the Provincial Government of Kangwon Do for the repair of national roads in that province.

Motor Transportation

28. Effective 1 January all motor vehicles in Korea must be licensed. Owners who registered their cars prior to that date are not required to have them recorded again but are to buy new license plates at a cost of ¥ 50. Vehicles for which proper ownership can not be shown will be impounded. They will be used by Military Government until their ownership is determined by court. The deadline for registration is 1 February.

FINANCE

Tax Collections

29. The collection of taxes continued to be slow. Corrective measures have been taken, particularly in small communities. Ordinance No. 40 of 10 January declared that all former laws relating to the seizure and sale of property for delinquent taxes were to remain in force.

Formerly Japanese owned property, title to which is vested in the Military Government under Ordinance No. 33, had been exempted from the operation of these laws. To prevent an undue economic advantage accruing to such property in competition with property subject to sale for tax delinquency, the Property Custodian has been directed to enter a proper charge for taxes against profits.

Financial Institutions

30. Ordinance 43 of 16 January declared the Chosen Stock Exchange dissolved and the Chosen Trust Company appointed liquidator of its affairs. The Chosen Trust Company was directed to report the progress of liquidation to the Director of the Finance Bureau under Military Government.

Financial Activities

31. On 1 January several sizeable loans were made to activities under the sponsorship of the Military Government. These included ¥ 2,000,000 to the Ginseng Cultivators Association, a credit of ¥ 800,000,000 to the Korean Commodity Company and ¥ 24,300,000 to various corporations.

32. The Chosen Fire and Marine Insurance Company is the only non-life insurance company authorized to do business in Korea.

SECTION 3

SOCIAL ACTIVITIES IN KOREA

C O N T E N T S

	Paragraph
Education	1
Press and Radio	3
Arts and Religion	7
Public Health and Welfare	8

EDUCATION

1. The National Committee on Educational Planning met at Seoul on 7 and 8 January. The Korean policy of education was explained in detail. The Committee adopted the report of a sub-committee on purposes and objectives of education. Emphasis was placed on understanding and harmony in working toward a democratic nation of educated citizens.

2. The Bureau of Education sponsored an Institute for secondary school teachers during the winter recess. Three hundred and fifty teachers from all provinces in Southern Korea attended a 10 day intensive course in Korean language, history and civics.

In Kyongsang Namdo a "Principals' School" was held to acquaint school administrators with more democratic educational methods. On 14 January a conference on adult education was held at Seoul. Subjects discussed included ways of eradicating adult illiteracy.

Over 75 agricultural schools are now in operation in Southern Korea.

PRESS AND RADIO

Newspapers

3. Two weekly Korean newspapers, the "Chukan Digest", designed for urban readers and the "Farmer's Weekly", written for agricultural workers, are being distributed free. Their combined circulation is over 1,600,000.

Radio Stations

4. A survey of the Radio Corporation of Korea has been completed with respect to facilities located in South Korea. There are 11 medium wave broadcasting stations operating at the present time. The largest is station JODK whose power was increased from 5 to 50 kilowatts, extending the daytime service area an average of 50 miles.

5. Other broadcasting stations include one 500-watt transmitter and nine transmitters of 50 watts or less. This small number of low powered stations cannot adequately serve the area under American control.

Broadcasts

6. Daily broadcasts have been initiated which include "The Children's Hour" and "The Women's Hour", designed to feature stories of "Democracy at Work". A bi-weekly program, "The Principles of Democracy", of the forum type, is being broadcast.

Representatives of major political parties speak over the Seoul Central Broadcasting Station on Tuesdays and Fridays. Arrangements have been made for weekly non-political broadcasts by representatives of the Confucianist, Buddhist and Chon-Dokyo religions.

ARTS AND RELIGION

7. General Notice No. 7 of 31 December 1945 allows Korean nationals and institutions to take steps to recover art, religious and other cultural property taken by the Japanese under duress during the period of Japanese domination. Claims for damages for the destruction of property are not permissible.

In cases where the property is believed to exist and evidence to support the claim of ownership can be furnished, together with information serving to identify the object, a claim for recovery may be filed. The notice requires that claims be filed with the local police and forwarded by them to the General Affairs Section of the Secretariat.

PUBLIC HEALTH AND WELFARE

Disease Prevention

8. The smallpox vaccination and typhus inoculation program among government employed civilians and restaurant help has continued. Effective 25 January smallpox vaccine was made available to all Koreans desiring vaccination. Vaccine was requisitioned from the United States.

9. Refugees coming into the provinces of Kyunggi Do have constituted a major health problem. During the week ending 27 December 1945, 2,609 Koreans and 776 Japanese refugees coming into Kaesang were inoculated for typhus fever, vaccinated for smallpox, and dusted with DDT powder.

Welfare

10. Fifteen million yen have been distributed to the provinces for the care of refugees. The expanded welfare program includes food, shelter, emergency medical care and the construction of refugee housing.

11. Aid to private and public institutions such as orphanages and homes for the aged is included in the new unemployment program. Japanese refugees coming into the United States Zone from North Korea are being cared for by the Japanese Welfare Society.

Hospital Facilities

12. The expansion of hospital facilities includes the Suwon Tubercular Hospital and a provincial leper hospital in Cholla Namdo.

The former will be completed at an estimated cost of ₩ 2,500,000.

Qualified Medical Personnel

13. Twenty-seven Korean nurses from the nine hospitals in Seoul started a two month's course in modern nursing on 14 January. An examination of doctors desiring to practice in Korea was held during the period 29 January to 2 February.

It was announced that from 25 through 27 February the recently organized Korean Board of Dental Licensure will examine individuals licensed in other countries for the practice of dentistry in Korea.

A committee of 12 persons has been appointed by the Director of Public Health to determine policies and establish laws and regulations on pharmaceutical matters.

Medical Supplies

14. The Chosen Medical Company, a monopoly controlled by the Japanese to regulate the supply and distribution of medical raw materials, has been dissolved. It was the Japanese practice for this company to sell medical materials to manufacturers who in turn re-sold them after processing. It completely controlled wholesale institutions which had been established at various points in Korea. The Company is no longer needed since normal distribution and sales channels now exist.

15. Deposits of pyrophyllite recently located in Cholla Namdo are believed adequate in quality and quantity to supply filler requirements for DDT powder for Japan and Korea.

Veterinary Affairs

16. The Department of Veterinary Affairs was organized and includes four sections: Animal Disease Control, Veterinary Sanitation, Reports and Statistics, and Administration.

17. Stocks of captured Japanese veterinary supplies were discovered at Cheiju-to and will be distributed.

Vital Statistics

18. The Bureau of Health and Welfare conducted a course in vital statistics from 14 to 25 January. It was attended by provincial officials responsible for this activity.

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